By Mr. ROBSION of Kentucky: A bill (H. R. 11942) granting a pension to Phina McCrary; to the Committee on Invalid Pensions.

By Mr. WITHROW: A bill (H. R. 11943) to amend and correct the military record of Frank Schneider; to the Committee on Military Affairs.

By Mr. MERRITT of New York: Joint Resolution (H. J. Res. 531) to provide for the coinage of a medal in commemoration of the heroic service of Einer William Sundstrom, captain of the steamship *Dixie*, and his courageous and efficient crew; to the Committee on Coinage, Weights, and Measures.

## PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10562. By Mr. DORSEY: Petition of employees of S. W. Evans & Son, 4623 Paul Street, Philadelphia, Pa., protesting against the increase in the importation of Japanese umbrella frames and Japanese umbrellas which have seriously affected the industry in this country; to the Committee on Ways and Means.

10563. By Mr. RISK: Resolution of the Board of Aldermen of the City of Newport, R. I., requesting that the headquarters for the fourth district of the First Corps Area of the Civilian Conservation Corps be retained at Fort Adams in Rhode Island; to the Committee on Military Affairs.

10564. Also, resolution of the Newport Post No. 7, American Legion, requesting that the historic frigate *Constellation* be retained at its present home port Newport, R. I.; to the Committee on Naval Affairs.

10565. By Mr. SADOWSKI: Petition of the Mackinac Straits Bridge Association, held at Petoskey, Mich., March 5, 1936, asking that financial support be given toward building a bridge across the Straits; to the Committee on Appropriations.

10566. Also, petition of the William Locher Chapter, Michigan Division of the Izaak Walton League, endorsing Senate bills 3958 and 3959; to the Committee on Merchant Marine and Fisheries.

10567. Also, petition of the William Locher Chapter, Michigan Division of the Isaak Walton League, protesting against the draining of certain portions of the State; to the Committee on Merchant Marine and Fisheries.

10568. By Mr. TREADWAY: Petition of patrons of star route no. 4156, Orange to Cooleyville, Mass., favoring enactment of legislation to extend indefinitely all existing star-route contracts and to increase compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

# SENATE

## FRIDAY, MARCH 20, 1936

*(Legislative day of Monday, Feb. 24, 1936)*

The Senate met at 12 o'clock meridian, on the expiration of the recess.

### THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, March 19, 1936, was dispensed with, and the Journal was approved.

### MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

### COMMITTEE SERVICE

Mr. ROBINSON. I request the attention of the Senator from Oregon [Mr. MCNARY]. I ask that there be assigned to the vacancies on behalf of the majority on the Committee on Expenditures in the Executive Departments the Senator from Nevada [Mr. PITTMAN] and the Senator from Kentucky [Mr. BARKLEY].

The VICE PRESIDENT. Is there objection?

Mr. MCNARY. Mr. President, of course I have nothing to say about vacancies in the Democratic representation on committees or how they may be filled, but I should like to ask the Senator if the assignments now suggested conform to the proportion of Democrats and Republicans on committees which has been agreed upon?

Mr. ROBINSON. It does. There are two Democratic vacancies on the committee, and I am merely asking that they be filled.

Mr. MCNARY. How many Republicans are on the committee?

Mr. ROBINSON. There are two.

Mr. MCNARY. And the request of the Senator from Arkansas, if agreed to, will make how many Democrats?

Mr. ROBINSON. It will make five.

Mr. MCNARY. That works out the proportion heretofore agreed to, and I have no objection.

The VICE PRESIDENT. Without objection, the order requested by the Senator from Arkansas is agreed to.

### CALL OF THE ROLL

Mr. LEWIS. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Adams | Copeland | La Follette | Radcliffe |
| Ashurst | Costigan | Lewis | Reynolds |
| Austin | Davis | Logan | Robinson |
| Bachman | Dickinson | Lonergan | Russell |
| Bailey | Donahey | Long | Schwellenbach |
| Barbour | Duffy | McGill | Sheppard |
| Barkley | Fletcher | McKellar | Shipstead |
| Benson | Frazier | McNary | Smith |
| Bilbo | George | Maloney | Steiwer |
| Black | Gibson | Metcalf | Thomas, Okla. |
| Brown | Glass | Minton | Thomas, Utah |
| Bulkley | Gore | Murphy | Townsend |
| Bulow | Guffey | Murray | Vandenberg |
| Burke | Hale | Neely | Van Nuys |
| Byrd | Harrison | Norbeck | Wagner |
| Byrnes | Hatch | Norris | Walsh |
| Capper | Hayden | Nye | Wheeler |
| Caraway | Holt | O'Mahoney | White |
| Chavez | Johnson | Overton | |
| Clark | Keyes | Pittman | |
| Connally | King | Pope | |

Mr. VANDENBERG. I announce that my colleague the senior Senator from Michigan [Mr. COUZENS] is unavoidably detained at his home by illness. I ask that the announcement stand for the day.

Mr. TOWNSEND. I announce that my colleague the senior Senator from Delaware [Mr. HASTINGS] is unavoidably detained from the Senate, and I ask that the announcement stand for the day.

Mr. LEWIS. I announce the absence of the Senator from Alabama [Mr. BANKHEAD], the Senator from Florida [Mr. TRAMMELL], and the Senator from Rhode Island [Mr. GERRY], caused by illness; and I further announce that the Senator from Washington [Mr. BONE], the Senator from Massachusetts [Mr. COOLIDGE], my colleague the junior Senator from Illinois [Mr. DIETERICH], the Senator from Nevada [Mr. MCCARRAN], the Senator from Maryland [Mr. TYDINGS], the Senator from California [Mr. MCADOO], the Senator from Missouri [Mr. TRUMAN], and the Senator from New Jersey [Mr. MOORE] are unavoidably detained from the Senate. I ask that this announcement may stand of record for the day.

The VICE PRESIDENT. Eighty-one Senators have answered to their names. A quorum is present.

### THE LATE SENATOR HUEY P. LONG

Mr. THOMAS of Oklahoma. Mr. President, on January 22 the distinguished senior Senator from Louisiana [Mr. OVERTON] delivered in the Senate an eloquent tribute to the memory of one of our former colleagues, the late Senator Huey P. Long.

On that occasion I made a brief statement, and intended at the time to ask the Senate for permission to have printed in connection with my remarks a copy of the eloquent funeral oration delivered at the grave of Senator Long by the Reverend Gerald L. K. Smith.

I now ask unanimous consent to have a copy of the oration printed in the RECORD.

The VICE PRESIDENT. Without objection, the request of the Senator from Oklahoma is granted.

The address referred to is as follows:

FUNERAL ORATION DELIVERED OVER THE GRAVE OF HUEY PIERCE LONG, BY GERALD L. K. SMITH, SEPTEMBER 12, 1935

*Greater love hath no man than this, that a man lay down his life for his friends.* (John 15:13.)

The lives of great men do not end with the grave. They just begin. This place marks not the resting place of HUEY PIERCE LONG, it marks only the burial ground for his body. His spirit shall not rest as long as hungry bodies cry for food, as long as lean human frames stand naked, as long as homeless wretches haunt this land of plenty.

His affection for these sufferers was stronger than the flesh and is as everlasting as the soul. Hatred cannot touch him now; malice cannot reach him more. He sleeps in the shadow of the spire which he gave the sky, sepulchred close by this emblem which he raised.

He fell in the line of duty. He died for us. This tragedy fires the breast of every comrade. This untimely death makes restless the souls of us who adored him. We cannot be appeased by flattery, we cannot be set at east by superficial consolation. The ideals which he planted in our hearts have created a gnawing hunger for a new order. This hunger pain, this parching thirst for better things can only be healed and satisfied by the completion of that victory toward which he led us.

To summarize the influence and the noble attributes of this man is as though one went out to measure the boundary of a lake only to discover that he was on the arm of an ocean. In him there was no touch of religious prejudice, but at all times a warm, deep faith in God.

In answer to a query which I made in his home one Sunday he replied: "I know, Brother Smith, that the arms of God are about me every moment."

Can it be that God consented to this fate in order that by this dramatic exit he might retire from the battleground of political torture to find the quiet of eternity, while at the same time his torch was left to light our way?

In him there was no trace of racial antipathy. Mental wizard was this man, and we who hovered close to him never ceased to marvel at the instinctive, intuitive workings of this mental giant. Social crusader, thinking at all times of victory and power only as they related to a better social order. Educational statesman, determined that his children and the children of his neighbors should not be handicapped as he was. Political genius, so much so that his passing, so they think, has relieved the arch-enemies of his crusade the world around. An orator supreme, speaking the words of the masses in campaigns and at the same time recording in the CONGRESSIONAL RECORD a series of senatorial addresses supreme in rhetoric, artistic in style, permanent in value.

A statesman true, whose leadership led out so far ahead that short-sighted contemporaries were unable to see the star which he followed.

A tender father, a loving husband, lost to a family willing to give him up for the sake of his broader calling. A loyal friend, whose memory of tasks well done seemed flawless.

A musical heart that loved the songs of the common people and revealing a talent that for want of time lacked full expression. A writer with a pen that could warm the soul, comfort the body, and fire the imagination.

He knew not the definition of disloyalty. He was a builder, a trail blazer, a ruthless foe of delay, a burner of red tape, a violent enemy of retrogression. Progress was the sweetheart of his soul. He divorced the past, he wedded the present, he wooed the future. He was the personification of intellectual courage, a masterful dynamo of personality. A symbol of the mass mind, he reacted normally to the cries and to the pains and to the psychology of the common people.

The Bible was his favorite text. Its truth to him, profound authority. Drama was his natural art. A humorist of superior quality. An actor whose stage was his work, whose scenery, the people about him. When he passed by all eyes were fastened on him, watching tensely to see something that had never been seen before, listening intently for something that had never been said before, and he never disappointed.

To you, the aged father, your loins produced a giant of history, whose mother will always live through the boundless influence of her illustrious son.

To you, the relatives, close and removed, three generations hence your descendants will boast of your kinship to this fallen hero.

To you, the beloved wife, comrade in a million struggles, sufferer in a thousand defeats, rejoicer in 10,000 victories, be comforted in the knowledge that every moment of the remainder of your life you will have the memory of tasks well done, of services sacrificially performed, and of prophesies yet to be fulfilled.

To you, sweet children, you tender offspring, forever will the works of your great father be engraved on the tablet pages of the indestructible book of history.

To you, the officials of state, the companions of political strategy, crusaders in a common cause, count memorable the day you first heard the mention of his name. The time will come when to say that you even touched his hand will be the most potent interest in your life.

This blood which dropped upon this soil shall seal our hearts together. Take up the torch, complete the task, subdue selfish ambition, sacrifice for the sake of victory.

I was with him when he died. I said "Amen" as he breathed his last. His final prayer was this: "O God, don't let me die; I have a few things more to do." The work which he left undone we must complete. As one with no political ambition and who seeks no gratuities at the hand of the State, I challenge you, my comrades, to complete the task.

O God, why did we have to lose him?

With his removal from the arena of political activity it will no longer be necessary for any force to suppress liberal and accurate descriptions of his mighty work. Like other martyrs, from the moment of his death forth there will be an ever-widening and deepening understanding of the true greatness of this apostle of progress.

Some day the people will sit on the heights above their selfish prejudices and look upon the real man that he was. Some day they will know, some day they will understand.

Children of generations unborn will be rescued from drudgery, guarded against hunger, protected from ignorance because of the life and work of HUEY PIERCE LONG.

God willed, God ruled, God commanded Destiny to make him great. He was the victim of every form of persecution and abuse, struggling every moment of his public life under the cross of misrepresentation and the burden of misunderstanding, sacrificed to blind prejudice, but these only served in violation of precedent and convention to lift him higher and higher into the stratosphere of greatness. These tortures seemed to mark his course. They increased his necessity.

His unlimited talents invariably aroused the jealousies of those inferiors who posed as his equals. More than once—yea, many times—he has been the wounded victim of the Green Goddess; to use the figure, he was the Stradivarius, whose notes rose in competition with jealous drums, envious tom-toms. His was the unfinished symphony.

Out of the night that covers me,
Black as the pit from pole to pole,
I thank whatever gods may be
For my unconquerable soul.

In the fell clutch of circumstance
I have not winced nor cried aloud:
Under the bludgeonings of chance
My head is bloody, but unbowed.

Beyond this place of wrath and tears
Looms but the horror of the shade;
And yet the menace of the years
Finds, and shall find, me unafraid.

It matters not how strait the gate,
How charged with punishments the scroll,
I am the master of my fate,
I am the captain of my soul.

EXTENSION OF FACILITIES OF PUBLIC HEALTH SERVICE

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 2625) to extend the facilities of the Public Health Service to seamen on Government vessels not in the Military or Naval Establishments, which was, on page 1, line 7, after "Government", to insert "(other than those of the Panama Canal)."

Mr. SCHWELLENBACH. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

CLAIM OF GEN. HIGINIO ALVAREZ

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Foreign Relations, as follows:

*To the Congress of the United States:*

I enclose a report concerning the claim of Gen. Higinio Alvarez, a Mexican citizen, with respect to lands on the Farmers Banco in the State of Arizona. The report requests that the Congress authorize an appropriation of $20,000 to settle this claim.

I recommend that the Congress authorize an appropriation of $20,000 to effect a settlement of this claim in accordance with the recommendation of the Secretary of State.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *March 20, 1936.*

[Enclosure: Report of the Secretary of State.]

NINTH INTERNATIONAL CONGRESS OF MILITARY MEDICINE AND PHARMACY

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Foreign Relations, as follows:

*To the Congress of the United States:*

I commend to the favorable consideration of the Congress the enclosed report from the Secretary of State with an accompanying memorandum, to the end that legislation may be enacted authorizing an appropriation of the sum of $11,500, or so much thereof as may be necessary, for the expenses of participation by the United States in the Ninth International Congress of Military Medicine and Pharmacy to convene in Rumania in 1937, and authorizing and requesting the President to extend an invitation to the International Congress of Military Medicine and Pharmacy to hold its tenth Congress in the United States in 1939, and to invite foreign governments to participate in that Congress.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *March 20, 1936.*

[Enclosure: Report.]

## MEMORIALS

Mr. DAVIS presented a memorial of the Philadelphia (Pa.) Board of Trade, remonstrating against the enactment of the bill (S. 2573) to provide for the creation of a corporation to be known as United States Railways, to provide for the possession, control, and ownership of certain property of carriers by United States Railways, and for other purposes, which was referred to the Committee on Interstate Commerce.

He also presented a memorial of the Philadelphia (Pa.) Board of Trade, remonstrating against the enactment of the bill (S. 3363) to insure domestic tranquillity and to promote the general welfare by regulating and promoting commerce with foreign nations and among the States in commodities and industrial articles, to regulate the flow of such commerce, to prescribe the conditions under which corporations may engage in such commerce, to provide for the formation of corporations to engage in such commerce, and for other purposes, which was referred to the Committee on Interstate Commerce.

He also presented a memorial of the Philadelphia (Pa.) Board of Trade, remonstrating against the enactment of the bill (S. 3154) making it unlawful for any person engaged in commerce to discriminate in price or terms of sale between purchasers of commodities of like grade and quality, to prohibit the payment of brokerage or commission under certain conditions, to suppress pseudo-advertising allowances, to provide a presumptive measure of damages in certain cases, and to protect the independent merchant, the public whom he serves, and the manufacturer from whom he buys, from exploitation by unfair competitors, which was ordered to lie on the table.

## TAXATION OF CORPORATION SURPLUSES

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the RECORD and referred to the Committee on Finance a letter received from Mr. John N. Uhl, vice president of the Penn Tobacco Co., of Wilkes-Barre, Pa., I believe the letter, which pertains to the proposed tax on corporation surpluses, will be of interest to all who have to do with the proposed tax legislation and as well to the taxpayers of the country.

There being no objection, the letter was referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

PENN TOBACCO CO.,
*Wilkes-Barre, Pa., March 17, 1936.*

Hon. JAMES J. DAVIS,
*3012 Massachusetts Avenue, Washington, D. C.*

DEAR SENATOR DAVIS: Examination of the proposed taxes on the undistributed profits of corporations as reported in the press makes one wonder if the Government has not adopted as it motto the old biblical injunction, "To him that hath shall be given, and to him that hath not shall be taken away even that which he hath."

The corporations of the country are of all sizes from those with very trivial capital and business to enormous concerns which are almost monopolies in their lines. It is commonly understood that the law of corporation growth is divided into three stages. Most corporations begin in a rather small way and struggle along for a number of years establishing themselves as sound economic units. Then they begin a period of growth and expansion during which time they are increasing their markets both in respect to territory covered and variety of product and are developing their organization and their business to the limits of their economic possibilities. The third and final stage represents the complete development or, in other words, the maturity of the corporation. During the second stage, while it is building, the corporation usually plows back all or nearly all of its earnings into its capital structure. By the time the final stage is reached it has all the capital that it needs and, therefore, devotes itself chiefly to holding the business it has secured and is able to distribute practically all of its earnings.

The large corporations of the country which are mainly in the third stage of development will, under the proposed laws, be relieved from the present taxes amounting to 15 or 16 percent on their income, and as most of them already pay out practically all their earnings, or can do so without hardship, they will not incur any new tax in place of the one from which they were relieved.

The small corporations of the country, however, which are in the second stage of development when they are plowing most all their income into their capital for the purpose of developing their business and competing with companies which are in the third stage of development, will be relieved of a tax amounting to 15 or 16 percent of their profits, and will have placed on them instead a tax amounting to as much as 33⅓ percent.

In the tobacco industry there are four large companies who are in the third stage of development. These companies pay out practically all of their earnings in dividends, and have done so for a number of years past, so that the net result of the proposed laws would be to relieve them from 15 or 16 percent of tax which they now pay on their net income.

The other companies in the industry are in the second stage of development, and most of them are putting back a large part of their earnings into their capital and endeavoring to build themselves up in competition, of course, with the four large companies, as well as with each other. If these companies are now to have their taxes increased from 15 or 16 percent to 33⅓ percent, while the large companies in the third stage of development are relieved of taxes entirely, the fate of the small companies seems almost inevitable, and it will be practically impossible for them to survive more than a few years.

This may seem like an exaggerated statement, but the fact is that the smoking- and chewing-tobacco business, which is the big end of the business operated by the smaller tobacco companies, is a declining business. The smaller companies in the second stage of development must bring out new brands of smoking and chewing tobacco or get into the cigarette business in order to keep up their volume and maintain their position or go ahead in the industry. It is necessary for them, therefore, to have a continuous supply of new capital. As soon as this supply of capital stops, their business gradually falls off and they eventually wind up in the business bone yard.

It is difficult for the plain businessman to understand the purpose of such laws as the proposed tax on undistributed corporation profits. The result of these laws will be to relieve a large number of the greatest corporations of the country which transact a large share of the business of the country from tax, thus reducing the income of the Government by that amount, and the amount must certainly be very large.

It seems strange, but apparently it is expected to recoup these taxes, of which the large corporations are relieved, from the smaller corporations and their stockholders. A few years ago it was considered not only good politics but wise and just that the larger, more matured corporations should bear their full share of Government burdens, and if anybody was to be favored, it should be the smaller corporations in the stage of growth and development. There was an idea prevalent that the welfare and progress of large numbers of small and medium-sized corporations was especially valuable to the country. We do not know, of course, what plans the Government may have in mind for these corporations who would be relieved of tax under the operation of the proposed laws, but so far as we can see it is now planned to put the entire tax burden on the smaller corporations.

We in the tobacco industry may be particularly sensitive on this subject because of a recent experience. You are familiar with the processing taxes and know that on tobacco products they amounted to very substantial sums and were an especially heavy burden on smoking and chewing tobaccos. They did not bear so heavily on cigarettes because of the wider margin of profit on that product. But it is the big companies of the industry in the third stage of development who do 90 to 95 percent of the cigarette business of the country. These companies also have a large volume of tobacco business. They did not raise their prices but absorbed the processing tax. Consequently, the smaller companies could not raise their prices, but were compelled to also absorb the processing tax. The result was that the smaller companies found the processing tax a very much heavier burden than the larger companies. In fact, in some lines of the tobacco industry the profit was practically wiped out, and in such a case, as you know, it would only be a matter of time until a company having such lines of business would be badly weakened, or would have to retire from business.

The large mature companies, with their profitable cigarette businesses, were in position to stand the drain of the processing taxes, and wait for the smaller companies to expire, when, of course, they would inherit such business as the small companies built up, which probably would compensate them for the taxes they had paid. If not, they could then raise their prices and recoup.

Competitively speaking, therefore, the processing tax was a great help to the big companies in the third stage of development and a hindrance to the smaller companies. Now the Government is

proposing another form of tax which, upon analysis, is found to work in the same way.

We have no doubt that the situation is similar in other industries to what it is in the tobacco industry, and respectfully suggest that this is a matter of great importance to the country and should be given your most careful and earnest consideration.

Very truly yours,

PENN TOBACCO CO.,
JOHN N. UHL,
*Vice President.*

REPORTS OF COMMITTEES

Mr. RUSSELL, from the Committee on Appropriations, to which was referred the bill (H. R. 11418) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1937, and for other purposes, reported it with amendments and submitted a report (No. 1713) thereon.

Mr. SHEPPARD, from the Committee on Military Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H. R. 3629. A bill to authorize the acquisition of additional land for the use of Walter Reed General Hospital (Rept. No. 1710); and

H. R. 10182. A bill to authorize the Secretary of War to acquire the timber rights on the Gigling Military Reservation (now designated as Camp Ord) in California (Rept. No. 1711).

Mr. BLACK, from the Committee on Military Affairs, to which was referred the bill (H. R. 3369) for the relief of the State of Alabama, reported it without amendment and submitted a report (No. 1712) thereon.

Mr. COPELAND, from the Committee on Commerce, to which was referred the bill (S. 3789) authorizing the Secretary of Commerce to convey the Charleston Army Base Terminal to the city of Charleston, S. C., reported it with an amendment and submitted a report (No. 1714) thereon.

Mr. O'MAHONEY, from the Committee on Indian Affairs, to which was referred the bill (S. 1318) to authorize the Secretary of the Interior to adjust irrigation charges on projects on Indian reservations, and for other purposes, reported it with amendments and submitted a report (No. 1715) thereon.

INVESTIGATION OF WORKS PROGRESS ADMINISTRATION

Mr. LEWIS. From the Committee on Expenditures in the Executive Departments, I ask consent to report back, with amendments, Senate Resolution 243 (submitted by Mr. DAVIS on Mar. 9, 1936), to investigate the Works Progress Administration.

The VICE PRESIDENT. Without objection, the report will be received.

Mr. ROBINSON. Mr. President, I suggest to the Senator from Illinois that the resolution be referred to the Committee to Audit and Control the Contingent Expenses of the Senate, as the rule requires.

Mr. LEWIS. That course meets with my approval.

The VICE PRESIDENT. The resolution will be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

ASSISTANT CLERK TO COMMITTEE ON IMMIGRATION

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate Resolution 255 (submitted by Mr. ROBINSON for Mr. COOLIDGE on the 16th instant), reported it with an amendment.

The Senate, by unanimous consent, proceeded to consider the resolution.

The amendment was, in line 4, after the words "rate of", to strike out "$2,400" and insert "$1,800."

The amendment was agreed to.

The resolution, as amended, was agreed to, as follows:

*Resolved*, That the Committee on Immigration hereby is authorized to employ until the end of the present session an assistant clerk, to be paid from the contingent fund of the Senate at the rate of $1,800 per annum.

HEARINGS ON INVESTIGATION OF SO-CALLED RACKETS

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate Resolution 247 (submitted by Mr. COPELAND on the 10th instant), reported it without amendment, and the resolution was considered by unanimous consent and agreed to as follows:

*Resolved*, That the limit of expenditures under Senate Resolution 74, Seventy-third Congress, first session, authorizing an investigation of the matters of so-called rackets with a view to their suppression, agreed to June 12, 1934, is hereby increased by $800, to complete the final report.

INVESTIGATION OF "MORRO CASTLE" AND "MOHAWK" DISASTERS—INCREASE IN EXPENDITURES

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate Resolution 246 (submitted by Mr. COPELAND on the 9th instant), reported it with an amendment.

The Senate, by unanimous consent, proceeded to consider the resolution.

The amendment was, in line 6, after the words "increased by", to strike out "$15,000" and insert "$10,000."

The amendment was agreed to.

The resolution, as amended, was agreed to, as follows:

*Resolved*, That the limit of expenditures under Senate Resolution 7, Seventy-fourth Congress, first session, relating to the investigations of the steamships *Morro Castle* and *Mohawk* disasters and the adequacy of methods and practices for the safety of life at sea, agreed to March 16, 1935, is hereby increased by $10,000.

AIRPLANE ACCIDENTS IN INTERSTATE AIR COMMERCE—LIMIT OF EXPENDITURES

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate Resolution 237 (reported by Mr. COPELAND from the Committee on Commerce on Feb. 20, 1936), reported it with an amendment.

The Senate, by unanimous consent, proceeded to consider the resolution.

The amendment was, in line 4, after the words "increased by", to strike out "$25,000" and insert "$10,000."

The amendment was agreed to.

The resolution, as amended, was agreed to, as follows:

*Resolved*, That the limit of expenditures under Senate Resolution 146, Seventy-fourth Congress, first session, agreed to June 7, 1935, to investigate certain airplane accidents and interstate air commerce, is hereby increased by $10,000.

ASSISTANT CLERK TO COMMITTEE ON COMMERCE

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate Resolution 242 (submitted by Mr. COPELAND on the 5th instant), reported it without amendment, and the resolution was considered by unanimous consent and agreed to, as follows:

*Resolved*, That the Committee on Commerce is hereby authorized to employ for the remainder of the session of the Senate an assistant clerk, to be paid from the contingent fund of the Senate at the rate of $1,800 per annum.

ENROLLED BILL PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on March 19, 1936, that committee presented to the President of the United States the enrolled bill (S. 2603) to provide for the adjustment and settlement of certain claims arising out of the activities of the Federal Bureau of Investigation.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BAILEY:

A bill (S. 4318) for the relief of Melvin Andrews; to the Committee on Claims.

By Mr. CONNALLY:

A bill (S. 4319) to authorize the establishment of the American Legion National Cemetery of Texas at Legion, Tex.; to the Committee on Military Affairs.

By Mrs. CARAWAY:

A bill (S. 4320) to provide for the extension of the boundaries of the Hot Springs National Park in the State of Arkansas, and for other purposes; to the Committee on Public Lands and Surveys.

PROTECTION OF TRADE—AMENDMENT

Mr. ROBINSON (for Mr. TYDINGS) submitted an amendment intended to be proposed by Mr. TYDINGS to the bill (S. 3822) to amend the act entitled "An act to protect trade and commerce against unlawful restraints and monopolies", approved July 2, 1890, which was referred to the Committee on the Judiciary and ordered to be printed.

RELIEF OF FLOOD-STRICKEN AREAS IN MARYLAND

Mr. RADCLIFFE (for Mr. TYDINGS and himself) submitted the following resolution (S. Res. 263), which was referred to the Committee on Appropriations:

*Resolved*, That the President of the United States be, and he is hereby, requested to transfer from appropriations under the Emergency Relief Appropriation Act of 1935 the sum of $5,000,000 to the American Red Cross for use in relief to flood-stricken areas in the State of Maryland during the present emergency.

INVESTIGATION OF WORKS PROGRESS AND FEDERAL EMERGENCY RELIEF ADMINISTRATIONS

Mr. HOLT submitted the following resolution (S. Res. 264), which was referred to the Committee on Expenditures in the Executive Departments:

*Resolved*, That a special committee of five Senators, to be appointed by the President of the Senate, is authorized and directed to make a full and complete investigation of the Works Progress Administration and the Federal Emergency Relief Administration, including any agencies whose functions have been taken over by either of them, together with all phases of the unemployment problem in the United States. The committee shall report to the Senate, as soon as practicable, the results of its investigations, together with its recommendations, if any, for necessary legislation.

For the purposes of of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate in the Seventy-fourth and succeeding Congresses, to employ such clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $———, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

RELIEF OF FLOOD-STRICKEN AREAS IN PENNSYLVANIA

Mr. DAVIS. Mr. President, yesterday I submitted a resolution (S. Res. 259) providing for an appropriation from the general relief fund to the American Red Cross, and my colleague the junior Senator from Pennsylvania [Mr. GUFFEY] presented a similar resolution (S. Res. 261). Both of us have been informed that the Red Cross does not care to have this action taken, so I ask that the Committee on Appropriations be discharged from the further consideration of the resolutions presented by my colleague and myself.

Mr. ROBINSON. Mr. President, it is my understanding that the Red Cross is proceeding to raise funds by voluntary contributions.

Mr. DAVIS. That is correct.

Mr. ROBINSON. And that it is thought at this time that the necessary amount may be so received by the Red Cross and that a Federal appropriation may not be necessary.

Mr. DAVIS. As I understand, the Red Cross do not want to break their precedent of receiving voluntary contributions.

The VICE PRESIDENT. If there is no objection, the Committee on Appropriations will be discharged from the further consideration of Senate Resolutions 259 and 261, and they will be indefinitely postponed.

FLOOD SUFFERERS—EDITORIAL FROM CHICAGO TRIBUNE

Mr. GUFFEY. Mr. President, I desire to place in the RECORD an editorial from one of the big newspapers of the country, which seems to me to be of such a remarkable character that it should have wider circulation than that afforded by the subscribers to that newspaper.

The newspaper to which I refer is the Chicago Tribune. In effect, this editorial states that the greatest proportion of flood sufferers are themselves to blame for the plight in which they find themselves when their livestock is destroyed and their homes washed away and that they are entitled to no consideration or relief. In fact, the implication is that it would serve them right if they are left to drown.

This newspaper has specialized in assailing every relief measure offered by the Roosevelt administration. Apparently, its editor feels that people out of work should be allowed to starve, which is quite in keeping with the suggestion that when the rivers rise and their lives and property are imperiled nothing should be done for them—on the theory that they chose their own farms because the land is fertile and therefore should accept ruin or death as one of the normal perils of their business.

This newspaper pretends to represent and defend the property interests of this country and is particularly concerned with that group of property owners which constitute the Du Pont Liberty League. In the course of the political controversies incident to the approach of a national election, the supporters of the administration have charged this group with many faults of conduct and logic, but we never have gone to the length of accusing them of such inhumanity as is implied by this statement of their journalistic spokesman, that the proper way of handling the destitute and the unfortunate generally is to leave them to die rather than that they should receive aid from their Government.

With this brief statement, I offer the editorial and ask unanimous consent that it be included in the CONGRESSIONAL RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From Chicago Tribune of Mar. 7, 1936]

FLOODS

The expected floods have followed the first thaws and, as usual, the sob sisters have been crying that something must be done to relieve the innocent victims of nature's savagery. There will be more floods this spring, accompanied by more such appeals for charity.

The sob sisters neglect to say that the so-called innocent victims are, for the most part, prosperous farmers owning the fattest land in the United States. They deliberately chose the bottom lands because of their high fertility and correspondingly high yields. These farmers knew all about the flood danger when they acquired their holdings and actually counted upon an occasional inundation to maintain the fertility of the land. To regard such men as innocent victims of an unpredictable misfortune is to talk nonsense.

The bottom-land farmers should make their own preparations to meet the danger. Most of them do so by moving their families and as much of their property as can be moved to places of safety before the floods begin. A few are shiftless and wait to be rescued out of the treetops. Very little sympathy and money need be wasted upon them. They took a risk in the expectation of profit and did it with their eyes open. As they intend to keep the extra profits which come from bottom-land farms they expect to pay the price.

THE CONSTITUTION AND THE SUPREME COURT—ADDRESS BY SENATOR WALSH

Mr. LONERGAN. Mr. President, I ask unanimous consent to have inserted in the RECORD an able address by the Senator from Massachusetts [Mr. WALSH] last evening in the Town Hall Forum, in New York City, on the subject The Constitution and the Supreme Court.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Whenever a law, which has aroused sharp differences of opinion, is declared invalid by the Supreme Court, criticism of the Court and the power it exercises has invariably followed.

Neither the present criticisms of the Court nor the suggested remedies are new. They have been made in the past and will be made in the future by dissatisfied groups, whether Democrats or Republicans, wets or drys, progressives or conservatives, Communists or Socialists.

To my mind, in considering this subject, two conclusions are incontrovertible:

1. The Constitution of the United States reserves to the peoples of the several States all the powers and the absolute control of all their domestic affairs which were not explicitly conferred upon the Federal Government.

2. The Federal Government may acquire power which it does not now possess in one way only, through the ratification by the people of the several States of an amendment to the Constitution.

These propositions being conceded, where is the protection and to what tribunal or agency can the people or the several States turn for protection against the seizure of the States' reserved rights by the Federal Government? The Constitution, the accepted fundamental law of the land and innumerable precedents make the Supreme Court the tribunal to determine exactly what powers are and those that are not delegated to the Federal Gov-

ernment. To deny this power to the Supreme Court is to contend that the Congress itself has the unlimited right to say what powers it may exercise.

One group opposing this power in the Supreme Court desires to do this very thing, namely, make the Congress the sole judge of their powers in constitutional matters. To my mind, this position would scrap the entire Constitution and nullify all its provisions.

A second group, admitting that the Supreme Court is a proper tribunal to preserve the powers reserved to the States only, proposes various legislative means to curtail the exercise of this power. Among them are the requirements of a unanimous decision of the members of the Court to declare a statute invalid, or that at least seven of the Justices must so vote. This we will discuss hereafter.

A third group seeks to deny the Supreme Court appellate jurisdiction in all cases except those in which original jurisdiction is granted to the Supreme Court in the Constitution. This would leave the Court's jurisdiction only over suits in which "States, ambassadors, other public ministers and consuls" are parties. The unsoundness of this position is manifest. If the appellate jurisdiction is taken away from the Supreme Court, the district courts would have jurisdiction to pass on the validity of laws passed by Congress, as the judicial power extends to cases involving the validity of such laws. The power of the district courts cannot be taken away, except by abolishing them. Abolition of these courts would be calamitous and disastrous, for there would be no agency to enforce the laws of Congress, except martial force. Unless the Supreme Court exercises appellate jurisdiction to review the actions of trial courts, there will be no remedy for lack of uniformity of decisions and chaos and confusion would result.

A fourth group suggests that the Supreme Court should retain jurisdiction to pass upon the validity of acts of Congress that involve only violations of the express prohibitions in the Constitution, namely, those embracing inalienable rights, 22 in number. This group, however, insists that the Congress shall be the sole judge of the validity of legislation touching "the general welfare, commerce among the States, taxation, the coinage of money", etc., and "due process of law."

The general welfare and commerce among the States involve purely regulatory powers, and, if unrestrained, with the suggested uncontrolled power to define due process of law, Congress could exceed its powers at will. There would be no way that individual citizens could prevent legislative encroachment upon their inalienable rights. This plan would abolish the Constitution by legislative enactment.

Having enumerated the changes proposed by the various groups protesting the existing powers of judicial review, let us consider what these groups say.

Briefly it is this: That it is inconceivable that the Supreme Court should have the power to declare acts passed by Congress and approved by the President to be in violation of the Constitution, for this permits the courts to thwart the will of the people expressed by their representatives in Congress and their President; that the exercise of this power by the Supreme Court gives it the power to control the Government; namely, to make laws and determine policies; and it is further argued that the control of the Government should not be confided to nine men, a mere majority of whom may hold within their power the well-being of the country as a whole.

The fallacy of this contention is that the Supreme Court does not make laws. It exercises a purely negative function. In declaring a law in violation of the Constitution, it is not thwarting the will of the people. The will of the people is as expressed in the Constitution. When they choose a President and Members of Congress they but express confidence in them—a confidence that Congress and the Executive will only act within the provisions of the Constitution. If Congress enacts legislation approved by the President which is in excess of their powers, it expresses the will of Congress and the President only.

If the Constitution is to stand and the elected representatives of the people are to respect its provisions and exercise only the powers therein granted, we must have a Supreme Court to check and restrain the Executive and the Congress from performing acts or passing laws in excess of their powers. Furthermore, the express powers granted to them must be exercised subject to the expressed prohibitions, and they are numerous, found in the Constitution.

It seems to me this conclusion is irresistible. The Supreme Court is necessary to prevent the invasion of rights of the individual and the enforcement of laws adopted by Congress, that the Constitution expressly forbids.

Let us now consider the manner in which the nine judges are to exercise the power of the Court. Shall it be a majority as now, seven of the nine, or unanimous? It is alleged that five men can control the destiny of the country, and that it is too great a power to lodge in so small a number. Hence, it is suggested that the decisions should be unanimous. But this suggestion would permit merely one member of the Court to uphold an act of Congress. Under this plan an act of Congress which, by its terms, takes the property of an individual for public purposes and declares it shall be done without just compensation could be upheld by the vote of one man.

There is only a difference in degree in the suggestions that legislation shall not be determined invalid unless seven of the nine judges vote in the affirmative. This would leave the power in three to do the same thing that the one might do if decisions are required to be unanimous. It would transfer the power of decisions from a majority to a minority of the Court. The power of decision must rest some place. This power was declared in the Court at an early date. While denial of this power has been made from time to time since 1857, the Supreme Court has continuously exercised this power by a majority or more of its members and no effort has been made by the people through a constitutional amendment to curtail that power; nor has Congress, if possessing the power, taken it away from the Court. A larger membership of the Court would still be open to the objection of those who might make it that a majority of the Court should not be entrusted with such great power.

The separation of the three branches of Government, each with powers distinct from those of the other two, was a fundamental principle underlying our Constitution. It is clear that the founders made the legislative branch independent of the executive with power to protect the people against Executive usurpation. In a measure, the Executive was given the power of veto to check the legislative branch. The Supreme Court was given the reviewing power as to acts of either the legislative or executive branch exceeding their respective constitutional powers, in suits brought by individuals or States to set aside those acts in contravention of their rights. And this power was lodged in the Supreme Court by the people.

The definite separation of the three branches of Government, each possessing powers separate and distinct from the other two, did not find its way into the Constitution by chance, or through subterfuge or secrecy. The founders of our Government knew what they wanted and exactly what they were doing when the Constitution was adopted. It expressed their philosophy of Government and their moral concept of the inalienable rights of mankind. They were duly mindful of the tyranny and oppression experienced by the peoples of the world under other forms of Government. They were determined above everything else that tyranny and dictatorship should not exist in the free country they instituted. If attempted, a judicial review by a limited number of men, sitting as a Court, was provided to protect the people and the States from a despotic central government. Indeed, the founders set up every human device, namely, life tenure, fixed salary, removal from political bias and participation in political contests, and a close scrutiny by the Senate of the ability and personal integrity of every justice before he could assume his exalted office. Furthermore, before entering upon their duties, the Justices must each take a solemn oath before God to support and defend the Constitution and protect the people's rights under it. By law and by custom they are removed, as far as it is humanly possible, from all influence in performing their official acts. They are immune from public clamor and the selfish, greedy, and lobbying influence which it seems impossible to eradicate in their efforts to shape the acts of the executive and legislative branches of the Government.

Differences of opinion between so able and so conscientious a group as the justices of the United States Supreme Court is unavoidable. Unanimity in the reasons of decisions in important cases on the part of the justices of such diverse experience, predilection, and methods of approach is impossible to attain in every case.

In the 147 years of its existence, the Supreme Court, in my opinion, has ever been strong compositely in breadth of view, in freedom from bias, in intellectual capacity, in devotion to the furtherance of the welfare of the people as far as that comes within the province of a court, and in freedom from ambition for political preferment. If we cannot get the answer as to the constitutionality of an act of Congress from the individuals of such a court, we cannot expect to get it at all.

If the Supreme Court proves mistaken in their reading of the highest expression of the public will as embodied in the Constitution and the Constitution itself no longer conforms to the new types of social and industrial legislation which the people desire, then, by the very terms of the Constitution, the people are guaranteed the right to make their desires effective through the solemn process of amendment.

I am not arguing against the right to amend the Constitution or the right to discuss the opinions of the Supreme Court. Those rights are clear, definite, and absolute. Let us not forget, however, that the Constitution may be as effectually destroyed by the amending process as by direct attack. What we must preserve above anything else are the principles that are basic and fundamental—the forms which go to the hearts of our liberties.

Proposed amendments should be openly and fully discussed. In my opinion, before any constitutional amendment is approved three things should appear, namely: (1) That there is a present necessity; (2) that the amendment proposed will remove the existing or threatened evil; (3) that, if adopted, the amendment will not in itself produce a greater evil.

In view of the long, able, and patriotic service of the judicial branch of our Government since its very beginning, we should take no hasty action tending to curtail or prevent the Supreme Court from exercising its present powers and functions. Time has repeatedly justified the past decisions of the Court which have occasionally disappointed certain political or economic interests. Time will reaffirm this viewpoint in the future. Delay, enabling calm and deliberate consideration before taking impetuous action, will furnish the time to prove the justification of the decisions.

Let me remind you of the tremendous injury and stupendous results that might follow the acceptance of proposed changes.

Every right, large or small, that an American citizen enjoys, even the simple right to vote in elections, depends upon the integrity of the Constitution and the integrity of the Constitution depends upon the power of the Supreme Court to protect it against congressional invasions.

History has again and again demonstrated that the inalienable rights that our fathers declared were "God given" could be abrogated by rash decisions of men temporarily swept into power at times of great emotional passion and sudden political upheavals.

More valuable than any economic program, and I do not deny the importance of the maintenance of sound, sane, and equitable economic policies, are the basic human rights that our forefathers enumerated in the Declaration of Independence and read into the Constitution with ample governmental machinery to protect them.

The fathers boldly proclaimed that the violation of inalienable rights justified revolution. Free speech, free press, free religion, trial by jury, habeas corpus, protection against search of homes and seizure of private papers without warrant, free assembly, free ballot, and freedom of petition—these, they declared, were such inherent rights that no government worthy of the name could abridge or deny them. Hence they determined that no Executive or temporary autocratic legislative majority should ever interfere with the exercise and enjoyment of these rights by the people of the United States.

The Supreme Court was established as a barrier against the necessity of revolution if either the executive or the legislative branch attempted to take these rights from the people. This Court is the fortress, the arsenal, the standing army of the American people in the protection and enforcement of the inalienable rights which lovers of liberty in every civilized land poured out their blood and treasure to enjoy.

### THE LAW LIBRARY OF CONGRESS—ADDRESS BY JOHN T. VANCE

Mr. LOGAN. Mr. President, I ask unanimous consent to have printed in the RECORD an address on The Law Library of Congress, delivered by Hon. John T. Vance at the joint meeting of the American Association of Law Libraries and the National Association of State Libraries at Denver, Colo., June 26, 1935.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is a historic fact that from the earliest conception of having at the disposal of Members of Congress a library of reference and of ready access, the Library of Congress was associated with our legislative process. That is, of course, the most logical thing to expect of a library originally planned for the service of Members of Congress, primarily in their capacity of legislators.

When the need was first felt that Congress should have a reference library of its own, a congressional committee was appointed to inquire into the matter and to make a report on a catalog of books necessary for the use of Congress. This report was made to the House of Representatives in 1790, and although tabled and no immediate action was taken, it throws an illuminating light upon what was considered by Congress to be the primary purpose of such a library. The report was submitted by Elbridge Gerry, of Massachusetts, who was the foremost advocate of the establishment of a Congressional Library. The report read in part:

"* * * the committee have confined themselves in great measure to books necessary for the use of the legislative and executive departments and not often to be found in private or circulating libraries. That, nevertheless, without further provision of books on laws and government, to which reference is often necessary, Members of the legislative and other offices of the Government may either be deprived of the use of such books when necessary or be obliged at every session to transport to the seat of the General Government a considerable part of their libraries.* * *"

The report then specified what was considered the very essence of the requirements of a library for the use of Congress. It continued:

"The books reported were of the following description, viz, laws of the several States, laws relating to the trade and navigation of the several nations of Europe with whom the United States may have treaties, laws of Ireland and Scotland, laws of Canada, British statutes at large, militia system of Switzerland, the Russian and Frederician codes, sundry authors on the laws of nature and nations, sundry authors on the privileges and duties of diplomatic bodies, a collection of parliamentary books, sundry books on the civil and common law, etc."

Thus at the very center of the idea of a congressional library, at that time, as conceived by those responsible for its founding, was law. Of the Library of Congress, then, it may be truly said that the subject of law is its genesis and original purpose.

When the capital was removed to Washington, a congressional library became necessary, inasmuch as there was no library, either private or public, in the new Federal city. Accordingly, among the first legislative acts, an appropriation of $5,000 for the purchase of books for the use of Congress was made, and a joint committee was appointed to arrange for the purchase of books, and provide a suitable place for them, and for rules and regulations for their use. The historian of the Library of Congress, the late William Dawson Johnston, says that "the chairman of this joint committee, and the only member thereof who has left behind him any trace of a fondness for or an acquaintance with books was Samuel Dexter, a graduate of Harvard, and a lawyer of some eminence."[1]

President Jefferson "who was from its inception an ardent friend of the Library", took an active interest in the purchase of books and inquired of Congress how other funds had been expended, which occasioned the appointment of a new committee in the House and Senate. Said committee was constituted to make reports on the organization of the Library. The chairman of the new committee was Senator Nicholson, of Virginia. Of this committee of five, John Randolph, of Virginia, was the most forceful member, and author of the report, as well as author of the phrase that "a good library is a statesman's workshop." He was one of the earliest friends and supporters of the Library, always took pains to secure liberal appropriations for it, had a good deal to do with the selection of its books, and now had prepared a report which, like the report of Representative Gerry, June 23, 1790, is one of the most notable documents relating to the early history of the Library, but unlike the former led to legislative action, and became the basis, after some discussion in the House of Representatives, of the act concerning the Library for the use of both Houses of Congress, approved January 26, 1802."[2]

Thus, we find that not only was the law the central idea in the founding of the Congressional Library but also the leading statesmen early interested in building it up were lawyers. However, due to the fact that there was no public library in Washington, as well as that the Library before 1814 and much after became a place of relaxation due to the lack of amusements, the Library began to assume a more general character. As our Federal Congress and institutions took on new importance, as the seat of the Government became more and more a center of thought and learning, it was to be expected that the Library of Congress would expand and develop and in time become a national institution. That was also in the mind of those most interested. Even in 1817, the idea was abroad to build a library to house a collection which might become of national proportions. As a national library, it has been necessary to make it representative of every field of knowledge. Also it was inevitable that collections and private libraries would be donated or purchased from time to time, making the Library general in its character. The library of Thomas Jefferson, acquired in 1815 after the first collection of books had been destroyed in the burning of the Capitol was of this general nature, though especially strong in law and political science, as they were the subjects in which Jefferson was most interested.

It is interesting to find that there was considerable expression at this early date in favor of permitting the Supreme Court and the heads of the executive departments to have the use of the Congressional Library, but because of the prevailing thought that large legislative appropriations for the purchase of books should not be made, the use of the Library was not accorded under the original act to others than the President, the Vice President, and Members of Congress. Strange as it may seem, it was not until 1812 that the use of the Library was extended to the Judges of the Supreme Court of the United States, a favor, says Ben Perley Poore, in his Reminiscences, which Chief Justice Marshall prized very highly. "He liked to wait upon himself, rather than to be served by the Librarian * * *."[3]

As early as 1816 a bill was introduced in the Senate for the establishment of a law library for the particular use of the Supreme Court. An appropriation of $1,000 had been made in 1821 for the purchase of lawbooks for the Library of Congress. They were to comprise the statutes and the reports of the decisions of the courts of law and chancery of the different States with the latest maps of the several States and Territories. Later on, during the years 1826, 1828, and 1830, Charles Wycliffe, of Kentucky, submitted resolutions in the House of Representatives to the effect that the Committee on the Library be instructed to inquire into the expediency of separating the lawbooks from the other books in the Library of Congress and placing them all under the superintendence of the Supreme Court. His insistence was the occasion of an editorial in the National Journal, which opposed the organization of a law library and attempted to belittle his interest with the following ironical comment:

"Mr. Wyckliffe does not seem to have any peculiar penchant for any other reading than that of law, and one would think his inclination might be amply indulged during the session by the access he has to the fine Law Library of Congress and the facilities which the knowledge of its present keeper is so well calculated to afford * * *. Mr. Wyckliffe has been for some time anxious to remove the law department of the Congressional Library, but his efforts have never been successful. To allay this anxiety, it would perhaps be better to alter the rule for Mr. W.'s special accommodation and allow him to have full range among his favorite volumes during the session of the Supreme Court. Mr. W.'s desire to remove, will, if gratified, be a reform like that produced by the present administration, as it will take away the most valuable part of the Library, and perhaps fill its place with something that is less so."[4]

In 1829 a resolution in the House of Representatives was tabled which sought to have the Library Committee inquire into the expediency of providing more effectual means of obtaining copies of the laws of the several States as they were annually enacted. A quotation from the report on this resolution is of interest, since it points very directly to a need which was felt even at that time. The report began: "The importance of having within reach of the Members of Congress copies of the laws of the several States need not be enforced." The report continued:

[1] Johnston, History of the Library of Congress. (Washington, D. C., 1904. Vol. I, p. 24.)

[2] Op. cit., p. 26.

[3] Ben Perley Poore, Reminiscences (N. Y., Phila., 1886), p. 43.

[4] National Journal, Feb. 15, 1830.

"The committee consider it as very desirable that a prompt and regular supply of the laws of the several States should be made to the Public Library (the Library of Congress). Some of the reasons which exist for furnishing the acts of the National Legislature to the several States make it desirable that those of the several States should be accessible at the seat of the General Government; and these reasons, no doubt, led to the adoption at a very early period, of the resolution which made it the duty of the Secretary of State to procure the laws of the several States."

Edward Everett, who reported this resolution to the House, had a few years earlier written to Mr. Justice Story, of the United States Supreme Court, regarding the importance of the law collection in the Library, to which Judge Story replied: "I entirely agree with you respecting the civil-law books to be placed in the Congress Library. It would be a sad dishonor of a national library not to contain the works of Cujacius, Vinnius, Heineccius, Brissonius, Voet, etc. They are often useful for reference, and sometimes indispensable for a common lawyer. How could one be sure of some nice doctrines in the civil law of Louisiana without possessing and consulting them? What is to become of the laws of Florida without them?"[5]

However, Mr. Wyckliffe's efforts were finally rewarded and on the 14th of December 1831, on the motion of Senator Grundy, the Senate *"Resolved,* That the Committee on the Judiciary be instructed to inquire into the expediency of providing a law library for the use of the Supreme Court of the United States." This was followed in January by a bill from the same committee, entitled "An act to increase and improve the law department of the Library of Congress." This act, which forms the charter of the Law Library of Congress, was approved on the 14th of July 1832.[6]

Thus, a most important department of the Library, destined to take on added importance as the years went by, was at last officially recognized. The act, after instructing as to the location of the new department and the removal of the law books, further enacted:

"That the Justices of the Supreme Court of the United States shall have free access to the said Law Library; and they are hereby authorized and empowered to make such rules and regulations for the use of the same, by themselves and the attorneys and counsellors, during the sittings of the said Court, as they shall deem proper: *Provided,* Such rules and regulations shall not restrict the President of the United States, the Vice President, or any Member of the Senate or House of Representatives, from having access to the said Library, or using the books therein, in the same manner that he now has, or may have, to use the books of the Library of Congress."

The law further defined that the Law Library was a part of the Library of Congress and subject to the same regulations, its incidental expenses to be paid out of the appropriations of the Library of Congress. It then appropriated a sum not exceeding $5,000 and an annual sum of $1,000 for 5 years for the purchase of lawbooks under direction of the Chief Justice of the United States.

The new law library was located in the Capitol, occupying until 1843, a room north of the main Library. It was then removed to the west side of the basement in the north wing of the Capitol, near the Supreme Court, and in 1860, was removed to the old room of the Supreme Court on the east side, which had served for more than 50 years as the chambers of the court of final appeal. When this law was passed, the law collection consisted of 2,011 volumes, about 640 of which were in the Jefferson collection. Today the Law Library contains around 325,000 volumes, exclusive of countless lawbooks scattered throughout the general Library in the related fields of social sciences, as well as in special collections. Forty thousand of these are located in the old Supreme Court in the Capitol, where they have been placed for the exclusive use of the bar of the Supreme Court and Members of Congress.

Across from the old Supreme Court chamber is located the conference library of the Supreme Court, consisting of 20,000 volumes for the exclusive use of the Court. At the present time these are being moved to the new Supreme Court Building, and the Law Library is provided also from its duplicate collections, both in the Main Library Building and from the Capitol, about 30,000 volumes. These two collections, together with the Elbridge Gerry law library, donated to the Court by Senator Peter G. Gerry, of Rhode Island, numbering about 30,000 volumes, will provide two adequate working law libraries for the bar and the Court in the new temple of justice.

In addition to the various collections just named which are a part of the Law Library of Congress, a small reference collection is maintained just off the floor of the House of Representatives. This law material in this collection, as well as that located in the House of Representatives library, is also a part of the Law Library of Congress. Then, there are approximately 6,000 volumes which are known as "judges' sets", and which are distributed as required at the residences of the justices of the Supreme Court for their individual use.

It will no doubt be of interest to law librarians to hear how all of these various collections are administered.

By the act of 1832, supra, the law library was placed under the Librarian of Congress, made a part thereof, and subject to the same regulations, except that the Justices of the Supreme Court were authorized to make such rules and regulations for the use of the Law Library, by themselves, and the attorneys and counselors, during the sittings of said Court, as they should deem proper. It also provided that such rules and regulations should not restrict the President of the United States, the Vice President, or any Member of the Senate or the House of Representatives from having access to the said law library in the same manner that he then had or might have, to use the books in the Library of Congress. It was further provided that the Librarian should make the purchases of the books for the law library, under such directions and pursuant to such catalogs as should be furnished him by the Chief Justice of the United States. All of these provisions have been continued and written into the permanent statutes concerning the administration of the law library.[7] There is one other exception in the administration of the law library, namely, it is provided specifically by law that the law library shall be kept open as long as Congress is in session, so that if one of the Senators should filibuster and keep the Senate in session all night, the law library has to remain open for the service of that august body. This very thing happened within the past 2 weeks, and one of my able assistants remained on the job for the entire night after he had reported for work at 2:30 in the afternoon.

Under the law, the Librarian of Congress appoints all of the employees of the Library "solely with reference to their fitness for the position."[8] Thus, the Law Librarian and the entire staff of the Law Library, which, incidentally, is very small compared to other large law libraries, are appointed by the Librarian. The total personnel of the Law Library staff numbers 17, 4 of whom have been assigned to administer the law collection in the Capitol for the use of Congress and the Supreme Court. The administrative headquarters of the various collections are located in the main building, where the larger part of the Law Library is located. The administrative work there consists largely in keeping up with the current literature of the law and preparing recommendations for purchase; maintaining the catalogs—union, subject, and shelf list; reference work of a great variety, and superintending the cataloging. Manifestly, with such a limited number of employees, the cataloging could not be done by the law staff. However, this is supervised by the chief assistant, while the actual cataloging is done in the catalog division of the Library by 10 employees, some of whom give all their time to cataloging and others merely part time. The purchasing is also done by the general Library, but the searching is all done by the Law Library staff, and merely the ordering and payment of bills are done by the accessions division and the disbursing division, respectively, of the general Library.

The superintendent of the reading room of the general Library administers the circulation of the law books from the main building, just as he does all other material in the Library, but, the circulation from the law collection at the Capitol is attended to by the staff of the Law Library.

From the foregoing it would seem that the small number of employees, namely, 17, is not a true picture, since considerable help is given by various divisions of the general Library, but I can assure you that the red tape consumed in working through other divisions as a part of the general Library more than balances the services rendered, and with an additional 8 or 10 employees, the Law Library could more effectively administer its own establishment. The only advantage I can see in being a part of the general Library is the proximity to the great general reference collections.

The conference library has always been administered by the Supreme Court and all of the books have been supplied by the Library of Congress. The status quo will be continued when the Supreme Court enters its new building in the fall, the Congress having provided a staff of five assistants for the Supreme Court librarian under the United States marshal. The Library of the House of Representatives is administered by the Library of Congress, but the employees are appointed by the Clerk of the House of Representatives.

Thus, we find a hodgepodge of library administration, perhaps without parallel throughout the library world, and yet, while it may not fulfill modern standards of efficiency, as far as the service to Congress, the Supreme Court, the executive departments, and even to the general public, goes, it seems to your humble servant that it is remarkably well done.

Of the various collections in the many fields of law and jurisprudence now in the Law Library, it would, of course, be impossible to give more than a most cursory description in the time at my disposal. Not a year passes but notable and important acquisitions are made, some by gift, or exchange, the most by purchase—in American colonial law, of which we are trying to organize a comprehensive and as complete a collection as possible; in early English, Latin American, in foreign, in general; in Roman law, canon law, and other works important in the history and science of jurisprudence.

Examination of the shelves early in the present century showed the Library to be weak in Roman, civil, and canon law, in the law of nations and in comparative jurisprudence. There were also few works in public and administrative law. The Law Library, under great difficulties and handicapped by insufficient funds, set out to remedy and fill in these deficiencies. There were at the turn of the century about 100,000 volumes in the Law Library. Today there are 325,000 volumes. From 1901–30 the library had to carry on with an appropriation of $3,000 a year, supplemented by small assignments from the appropriations for the general Library. Only in 1930 when the Library had grown to 240,000 volumes was anything like a proper, but yet inadequate, annual sum of $50,000 made available.

The Law Library possesses unquestionably a notable collection of early Americana in colonial legislation and early laws of the

[5] Johnston, op. cit., p. 248 et seq.
[6] 4 Stat. 579.
[7] U. S. Code Annotated, ch. V, title 2.
[8] U. S. C. A., ch. V, title 2, sec. 140.

States. The most notable purchases in this field have been colonial session laws. Material of this type seldom comes on the market, and with the inadequate appropriation of $3,000 from 1900–30 very little could be acquired, but by keeping careful watch on catalogs and with the advantage of being at the seat of the Federal Government the Law Library has been able to fill many of the gaps in these collections. Among some of the rare imprints owned by the Law Library of Congress are the Georgia Laws, 1755–70, printed by James Johnson; the Code Noir of Louisiana, printed at New Orleans in 1787; the 1816 Cass Code of Michigan; the Bradford New Jersey Laws of 1717; the New York Laws of 1694 and 1710; the Deseret Constitution of 1849; etc.

Among the various collections which have come to the Law Library or in which it has been a participant is the Jefferson collection, from which came 639 books in the field of law, forming the nucleus of the future Law Library. Congress in 1866 appropriated $5,000 for the purchase of the law collection of James Louis Petigru, of the Department of Justice. In 1882 Dr. Joseph Meredith Toner donated to the Library of Congress a library of 27,000 volumes and 12,000 pamphlets and periodicals. Of these, some 1,300 volumes came to the Law Library. From the Von Maurer library 500 volumes of French and German legal periodicals were received in 1903. One of the most valuable bequests came from the collection of incunabula of John Boyd Thacher, deposited in the Library, supplying valuable material in the field of Roman law. The most important single collection, however, in the domain of Roman jurisprudence came from the library of Prof. Paul Kruger, of the University of Bonn, which was acquired in 1930. It consists of some 4,700 volumes, practically all of which are legal works—391 periodical volumes, 800 bound volumes, 500 unbound volumes, and 3,000 monographs. When it is remembered that Professor Kruger was the collaborator with that great authority on Roman law, Theodor Mommsen, in editing the Corpus Juris Civilis, the name, as you know, given to the famous Justinian Code, the value of this collection is evident.

Another very important accession to the Law Library in 1929 was 300 legal titles from the collection of Dr. Otto Vollbehr, of Berlin. These brought the number of incunabula in the Law Library to 450 titles. Since 1928 about 650 volumes from the famous libraries of the Emperors of All the Russias have been acquired. They deal with military laws, laws concerning the abolition of serfdom in the reign of Alexander II, laws of Nicholas II, and revisions of civil and criminal laws. They include the first two books printed in Russia in 1649 and 1650—these are the Code of Laws of Czar Alexis Mikhailovich and Kormchaia Kniga or Pilot Book containing the ecclesiastical and civil laws made at Byzantium about the ninth century.

We are gradually adding to another important domain of law, namely, that of canon law. Among our recent acquisitions are an early edition (1571) of the canons and decrees of the Council of Trent, and more important the Decretals of Pope Gregory IX, the first official compilation of canon law, begun in 1230 and completed in 1234. Our edition is of 1586. I might mention here that in return for the services of the Library of Congress in assisting a few years ago in the cataloging of the Vatican Library, several valuable works on canon law were presented to the Law Library by the Vatican, including the Acts and Decrees of the Vatican Council of 1870; the acts of the pontificate of Leo XIII, 1881–1905, consisting of 23 volumes; acts of the pontificate of Pius IX, 1854–1878; comprised in some seven volumes. In January 1930 Pope Pius XI made a gift to the Library of Congress of reproductions of 15 of the earliest papal charters. In 1933 we received from the present Apostolic Delegate to the United States a 12-volume set of the Codificazione Canonica Orientale.

One of the most valued collections in the Law Library is that of the English Year Books, or law reports, prior to the seventeenth century. For these we have been largely indebted to Judge William Vail Kellen, of Boston, who has been contributing these invaluable documents since the library purchased his collection in 1904. We have now the second largest collection of these yearbooks in this country, possessing some 320 volumes, covering the period from Edward I to Henry VIII. The practical value of this collection, which I will refer to later, has been cited by Mr. Justice Stone in deciding a case before the Supreme Court. The crowning jewel of the early English collection is the 1482 first edition of Littleton's Tenures, one of three copies listed by Professor Beale. The Law Library also has the rare second edition, printed by Machlinia, circa 1483. Another noteworthy acquisition, adding 247 volumes of English treatises, as well as several Maryland colonial session laws, is the library of Justice Samuel Chase, of the United States Supreme Court, received from the Peabody Library, of Georgetown, D. C., in 1930.

In 1923 an effort was begun to extend and fill in our Latin American collections, which were deficient particularly in the laws of Mexico and Brazil. It was my privilege to be sent to Mexico that year to seek to fill in these needs. As a result, the Law Library acquired about 2,500 volumes of legal material comprising nearly every official publication of a legal nature (except the official gazettes) of 11 states and a large number of codes, constitutions, and session laws of the remaining 17. I may mention that back in 1854 Congress appropriated $1,700 for the purchase of Spanish and Mexican lawbooks.

As I have said, it would be impossible to mention all our important acquisitions and collections in the time at my disposal. A separate paper could be devoted to their enumeration and description. I have mentioned but a few of the more interesting works and collections on our shelves. I may add that the Law Library has now a fairly complete collection of the briefs and records of the United States Supreme Court, which have been filled in around the purchase by Congress in 1883 of a set of these records from the estate of Matthew H. Carpenter. In 1924 there was donated to the library 862 volumes from the library of Chief Justice Fuller, covering the records and briefs of the court during his presence on that tribunal from 1888 to 1910.

Another of our great Supreme Court Judges, Mr. Justice Oliver Wendell Holmes, who recently passed away and whose name as a lawyer, statesman, and soldier will be indelibly marked upon our history, has bequeathed to the Library of Congress his library of some 13,000 volumes, 3,000 or more of which are in the field of law, jurisprudence, and the philosophy of law, and these will henceforth grace the shelves of the Law Library.

Today the Library of Congress of the United States stands out as one of the world's greatest collections of books. Surely, the Law Library of Congress has the right to aspire to stand out preeminently in its own field and to become, if not one of the world's great repositories of legal knowledge and record, at least, the outstanding center of legal record and reference in the United States. Mr. Justice Stone, Associate Justice of the Supreme Court, speaking before the Appropriations Subcommittee of the House of Representatives in 1933, said:

"I am thinking not so much of the needs of the Court, which, of course, are important, but of the proper place of a law library established by the Nation as part of its chief Library. In the long run, such a Law Library is of use, of course, to the Court, to the great departments of the Government, and the Congress, as well as to the various official bodies which come to Washington from time to time in one capacity or another.

"But I am looking at it a little more comprehensively even than that. This Nation should have a law library to which official bodies and individuals would come, from every part of this country and from abroad, for the purpose of conducting legal investigation and research. But it will not be limited wholly even to that use, because the historian, the student of the social and economic life of the Nation, will ultimately find in the Law Library the material which is the subject of his investigations." [9]

In other words, Mr. Justice Stone believes that it is not merely a question of a reference library for the Supreme Court or merely for the use of the Members of Congress and of Government departments, but a law library for the Nation as a whole—namely, a national law library. Not only that, but it should stand out as a center of legal research for students and jurists in other lands.

It is indeed a strange thing to say in this day and age, when our legal system has reached such proportions and complexity, that since establishing the Law Library as a separate department of the Library of Congress in 1832, neither Congress nor the Court has taken little more than a passing interest in its growth and needs. I believe one of the reasons for that state of affairs has been that its interests were lost sight of in the expansion and varied interests of the Library of Congress as a whole. Had the Law Library been made a separate institution in 1832 instead of merely a department of the Library of Congress, I feel that we might have now a different story to tell. I feel that we would today have one of the finest law libraries in the world. And Congress would have been more interested. More adequate appropriations would have been available.

As things stand there is constant confusion and misunderstanding even as to the identity of the Law Library. Let me give you an example. In 1932 an already reduced appropriation of $40,000, not a very great sum, was asked for the Law Library. One of the Senators moved to cut down that appropriation to $25,000 in the belief that the Law Library merely consisted of the Supreme Court library in the Capitol, which bears out what I have said as to the lack of proper interest on the part of Congress. Fortunately, that serious misunderstanding has since been corrected, and an annual appropriation of $50,000 has been restored to the Law Library. Senator David Reed, in moving the amendment, declared that the appropriation ought to be at the very least $75,000, and that even that sum would be inadequate, in the opinion of those best qualified to judge. It has only been since 1930, however, nearly 100 years after the establishment of the Law Library, and when a distinguished member of our Supreme Court, Mr. Justice Stone, together with prominent representatives of the bench and bar, first appeared before the House Appropriations Committee, that anything like an adequate sum has been made available.

There is another reason why the Law Library has become an institution of national importance. Within the last 20 years the powers and activities of the Federal Government have grown and extended more than in the previous hundred years. Since the present administration took office new authority has been given to the Central Government and new functions added. This creates an entirely new situation in our constitutional and legal history. Further, the United States long ago reached a position of importance in international affairs. This extension of authority and range of activity is clearly reflected in the demands made on the Law Library.

Speaking before the House Appropriations Committee in 1930, Mr. Justice Stone cited several instances to show how very necessary it is to have in the Law Library and at the service of the Supreme Court or other branches of the judiciary some rare tome, perhaps of the Middle Ages, reference to which may decide the issue in an important case. Such early imprints are only dis-

[9] Hearings before subcommittee of House Committee on Appropriations, 72d Cong., 2d sess. U. S. G. P. O., 1933, p. 131.

covered and acquired by systematic, informed research. It is not true to say generally that they are picked up by accident. Rather it is proper to say they are acquired by fortuitous circumstance, of which we can more readily avail ourselves when properly equipped and financed for that purpose. One of the cases cited by Mr. Justice Stone is of special interest. The case turned on a plea of nolle contendere. "Of course", said Justice Stone, "that turned on what the plea of nolle contendere was as we took it over from the English law. One circuit court of appeals had held that it meant one thing, and another circuit court of appeals had held that it meant another. In fact, the point was this: One circuit court of appeals had held that on that plea a prison sentence could not be imposed; another court had held that it could, and, of course, the case came to us because of the conflict. The determination of the question ultimately turned on the translation of a case in the yearbooks in the time of Henry VII. Now, that material I found here in the Congressional Library (that is, Law Library), but there are only a few libraries in the country where you could find it." [10]

Another case involved the interpretation of a treaty with Denmark, to arrive at a judgment of which it was necessary to examine a large number of works on medieval French law. Many of these works were very old and very rare, but as the Justice relates, most of them were found in the Law Library.

In 1933, Mr. James Oliver Murdock, chairman of the American Bar Association committee on the facilities of the law library, speaking before a similar House committee, said:

"It is most essential that the Congress which makes the national laws be provided with a law library second to none. When legislation is proposed in Congress the legislative referenece service of the Library of Congress should have readily at their disposal the legislative and the court experience of the past. Social problems are recurrent. If proposed legislation can be projected against similar legislative experience of the past, grave mistakes may be avoided. The advantage gained by such a procedure may in a single instance far exceed the total cost of the Law Library of Congress to date. We are living in a time of great economic and social readjustments. If changes in our national laws are made in the light of the legislative experience of the United States and of other countries, the people of the United States may rest assured that mistakes of the past will not be repeated." [11]

I could quote many more instances and opinions of distinguished jurists and active busy lawyers to show how important is the service which we should be able to render the Nation through a well-equipped national law library. It is not merely a matter of sentiment or of prestige. It is a question of a most necessary and insistent demand from our courts, from the legal profession, from the public, and from our Government in its legislative and administrative branches. But despite this handicap the service rendered is almost immeasurable. I have given one or two instances. The Law Library of Congress has perhaps the greatest variety of demands made upon it of any similar library in the world. It is used by the Supreme Court of the United States, the inferior tribunals of the city of Washington, the Congress, the executive departments, bureaus, and commissions. The diplomatic corps have the legal right to use it and they exercise that right extensively. Hundreds of inquiries come in from private individuals all over the country as well as from members of the bar. In addition there is a tremendous research going on in the fields of sociology and economics related to law. The Law Library of Congress has become thus a great center of research in law and related sciences of which there is probably no parallel in any other country.

It is the knowledge of this increasing demand and the difficulties we are laboring under to meet it, that has brought together representatives of the bench and bar in an organization, recently formed, called the Friends of the Law Library of Congress. The organization is composed not only of judges and lawyers but of political scientists, sociologists, bibliophiles, and others interested in its purposes. These purposes are:

1. To stimulate interest in the Law Library of Congress among American lawyers throughout the world and others interested in the law, in order that it may become the Nation's chief repository of legal sources and center of juridical research.

2. To promote the acquisition by the Law Library of printed books, pamphlets, and manuscripts, and other source material in the field or law, through direct donation thereof and through gifts and bequests for these purposes.

3. To foster, under the auspices of our national law library, legal research and other activities devoted to the collection, dissemination, and better knowledge of the literature and history of jurisprudence.

4. To cooperate in the obtainment of all necessary facilities, to carry out the aforementioned purposes, and to consider means whereby the Law Library may render greater service to the Nation.

It is the objective of the friends of the Law Library to bring home to those in the fields of law, jurisprudence, and related sciences as well as to our legislators in Congress, the fact that this program can no longer be postponed. There is in Washington a famous library, the Surgeon General's Library, as it is popularly called. It consists of more than 1,000,000 medical works, built up through the years with the cooperation of our Government and an understanding as to its value in research and education. It has also the appreciation and support of the medical profession. If that appreciation has become so articulate and such an end has been achieved in the field of medical science, there is no reason why a great national law library, intimately related to the science and process of government, may not be built up. I appeal to the members of the American Association of Law Libraries, both individually and as a representative organization, fully appreciative of this great work, to interest themselves in the purpose of the friends of the Law Library of Congress. They may thus participate in making the Law Library the most outstanding source of legal knowledge and research in the world and assist in building a monument worthy of our country and its place in the development of jurisprudence—a great collection of legal knowledge and record which, in the words of Mr. Justice Stone, "will be of service to men interested in the law, and to scholars, for all time."

[10] Hearings before subcommittee of House Committee on Appropriations, 71st Cong., 2d sess., U. S. G. P. O., Wash., 1930, p. 235.

[11] Id., 72d Cong., 2d sess., p. 134.

SIX MARTYRED SENATORS—ARTICLE BY RICHARD L. NEUBERGER

Mr. WHEELER. Mr. President, I ask unanimous consent to have printed in the RECORD an article appearing in the March issue of the magazine Real America, entitled "Six Martyred Senators."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Real America for March 1936]

SIX MARTYRED SENATORS FLAYED BY WAR MAKERS' GREED

By Richard L. Neuberger

[As Europe rushes madly toward another war, and the United States is once more bombarded with insidious propaganda from foreign countries, international bankers, professional patriots, and war mongers, we will do well to remember the six Senators who in 1917 dared defy the propaganda-inspired war hysteria. Six men who retained a true perspective, six men who were branded as traitors, six men who are slowly being recognized as among the greatest of American patriots. Perhaps their courageous stand 19 years ago will help America remain sane in the years to come.—Editor.]

Dusk was settling on Capitol Hill. In the April evening the trees along Pennsylvania Avenue cast long and grotesque shadows. Flags, swaying from every edifice, lost their color in the gathering dark. Little clusters of men stood nervously on street corners looking up anxiously at the wall-like sides of the Government buildings.

In an office near the front of the Senate Office Building it was somber and still. The lights had not been switched on and the pompadour-crested head of the junior Senator from Oregon was only an outline in the gloom. The senior Senator watched him worriedly. Finally he broke the silence, "War is certain to be declared. A vote against it means your political ruin. Your one vote cannot possibly make any difference. Don't forget we are fighting to make the world safe for democracy."

The junior Senator's expression was invisible in the darkness, so his colleague did not see the grim smile on his lips as he replied, "I cannot vote tomorrow to throw our country into a struggle, the final results of which no one is able to foretell. This is not a war to make the world safe for democracy. It is a war to make the world safe for greed and profits. After this war there will be less democracy than ever before."

"But it means ruin for you, sorrow for your family."

"War means sorrow for millions of families. I cannot vote 'yes' on the war resolution."

The senior Senator shrugged hopelessly. Through the heavily curtained window behind the junior Senator he could see the vast bulk of the Capitol dome, massive and strong in the glow of the spring evening.

Almost 3,000 miles from Washington, against the black of the night sky, a blazing dummy on a telephone pole flickered in the wind like a huge torch. On the lawn below, the mob brandished clubs and stones and gesticulated angrily. Hoarse threats and imprecations came to the ears of the white-faced people in the home across the street.

The junior Senator had voted that day against America's entrance into the World War, and the wrathful crowd was burning him in effigy. Wasn't the Senator a traitor? Hadn't the newspapers classed him with Benedict Arnold? Didn't even the CONGRESSIONAL RECORD show he had made a lot of treasonable talk about financial and commercial interests driving the country into war? No chicken-hearted Hun lover is going to represent our State! From the nearby house members of the Senator's family watched in terror.

That same night in America five other sacks of straw blazed in the night wind, the roar of the flames mingling omniously with the shouts of infuriated mobs. Oregon was not the only State with a "traitor" in the Senate. In the words of the press, Missouri, North Dakota, Wisconsin, Nebraska, and Mississippi also "stood disgraced in the eyes of the Nation." Each of these Commonwealths had sent to Washington a Senator who opposed until the end the plunge into the vortex of blood and thunder across the Atlantic: Senator Asle J. Gronna, of North Dakota; Senator Harry Lane, of Oregon; Senator Robert M. La Follette, Sr., of Wisconsin; Senator George W. Norris, of Nebraska; Senator William J. Stone, of Missouri; Senator James K. Vardaman, of Mississippi.

Upon these men descended an avalanche of abuse and derision without parallel in the history of their country. They endured what Senator BONE, of Washington, a member of the Nye Munitions Investigation Committee, recently termed an "outright intellectual lynching." They became objects of scorn throughout the land. Their names were regarded as synonymous with "treason."

Three were Democrats—Stone, Vardaman, and Lane—and the others were Republicans, but they were vilified and castigated by both parties alike. The heavy artillery of virtually every publication in the land fired a continual barrage of epithets and anathema at this "little group of willful men."

Their friends beseeched them not to adopt the position they did. Senator James A. Reed, of Missouri, later told how he had begged his colleague, Senator Stone, to refrain from voting against the war resolution, and how the latter had proudly replied:

"I know the people are aflame with the spirit of battle, but would you have me consider my personal welfare in a case that involves the heartaches of countless mothers?"

First of the tiny minority to give up his life for his convictions was Senator Lane. In the debate over the issue of war he had pleaded for neutrality. Condemned by the preponderant majority of the Senate, he had flayed the producers of armaments for *fomenting* strife and hatred, and had militantly declared:

"If we have citizens who want to go around over the world during wartimes selling munitions, I do not wish to take care of them. I would vote to put up a lot of big signs warning them to stay at home."

The words of the Oregon Senator today are regarded as epitomizing the crux of the celebrated neutrality resolution, adopted by the Seventy-fourth Congress, signed by President Roosevelt, and heralded in a score of nations as a mandate for peace. In 1917 Senator Lane's remarks brought him no applause—only death. He was the lone Senator from west of the Rockies to side with the dissenters, and the entire Pacific coast joined in pillorying him as a twentieth century Benedict Arnold. His closest friends turned on him in scorn. His mail brought threats of physical violence.

So terribly did the abuse and condemnation affect Senator Lane that he knew he was going to die. Shortly after the passage of the declaration of war he left the Capital for his home in the West. He told his two closest friends, NORRIS and La Follette, he never would see them again—and he never did. Senator Lane died in San Francisco, en route to Oregon. On the floor of the Senate La Follette bitterly accused the war-mongers and professional patriots of having murdered Lane, and called him the first martyr of the war.

Less than a year later Senator Stone was buried at Nevada, Mo., another victim of hatred and hysteria. As a ranking Democrat, Stone was chairman of the powerful Foreign Relations Committee, but this did not spare him the shafts of his own party. The Literary Digest thus summarized his position:

"The retention of the Missouri Senator as head of the Foreign Relations Committee is roundly denounced by Democratic editors as a 'scandal' and 'an offense to the country.'"

The Washington Herald unctiously editorialized:

"His monumental blunder will be forgotten in the future by an indulgent nation."

Eighteen years after Senator Stone's "monumental blunder", Senator GERALD P. NYE, of North Dakota, chairman of the special committee investigating the causes of America's participation in the war, rose on the floor of the Senate—across the aisle from where Senator Stone once sat—and declared:

"There is altogether too much truth in the assertion that war and preparedness for war are nothing more than games, games for profit. * * * I think civilization owes a debt of gratitude to men who in that day dared to speak their minds upon an issue when it was a whole lot less popular than it is today."

With the exception of Senator NORRIS, it is too late for the dissenters to collect the "debt" their country owes. Only the silver-haired Nebraska Senator survives to appear before the tribunal of public opinion and hear the verdict changed. A burst of pride came to him as he addressed his colleagues shortly after the overwhelming passage of the Nye-Clark neutrality resolution:

"I was here during the World War. I was in this body when we declared war. I am now the only living man who was then a Member of the Senate, who was present in the Senate when the vote was cast and who voted against that declaration. * * * Of all the votes I ever cast in this body or in the House of Representatives during my 10 years of service in that body, I never cast one with which I was so well satisfied as I was and am with my vote against that declaration of war."

Each of the six dissenters contended that propaganda circulated by those able to reap profits from America's participation on the side of the Allies was largely responsible for driving the United States into the war.

Among the Senators who bristlingly answered their charges was Warren G. Harding, of Ohio, "I am not voting for war in response to the campaign of the munitions makers, for there has been none. * * * I am voting for war in the name of democracy."

Senator Claude Swanson, of Virginia, declared, "In waging this war we will be aiding the free, liberal, and democratic nations to overthrow in Germany the last refuge of autocracy and militarism." As Secretary of the Navy, Swanson now is demanding bigger and better battleships to protect our shores from the possible depredations of the autocrats ruling Japan, one of the "free, liberal, and democratic nations."

In the closing hours of the debate on the war resolution, while debutantes and their escorts from the military ball watched in the galleries, it was NORRIS and La Follette who most angered the majority. The Nebraska Senator contended America was entering the holocaust across the Atlantic upon the command of gold:

"We are going to run the risk of sacrificing millions of our countrymen's lives so that other countrymen may coin their life-blood into money. * * * All because we want to preserve the commercial right of American citizens to deliver munitions of war to the belligerent nations. * * * I feel that we are about to put a dollar stamp on the American flag. * * * Upon the passage of this resolution we will have joined Europe in the great catastrophe and taken America into entanglements that will not end with this war, but will live and bring their evil influences upon many generations yet unborn."

This brought Senator Reed, of Missouri, bouncing to the floor in indignation: "The war is not being waged over dollars. * * * It is not being waged over commerce. It is not being waged over profits and losses." He then charged NORRIS with having bordered on treason.

A hush fell on the Chamber as the Nebraskan placidly replied: "The Senator from Missouri has said something that at some time he will regret, I believe."

Reed later heard Woodrow Wilson himself state: "This war * * * was a commercial and industrial war." In 1925 Reed described the stand of the six dissenting Senators against American participation as "the most superb act of courage this century has witnessed."

NORRIS' contentions also found no favor with the Outlook, which thus described "The Disloyal Senators": "They have humiliated us before the world. They should never again be intrusted by the American people with public office." This same issue carried a photograph of an armless French soldier and told how splendidly he would get along with the artificial limbs then being manufactured for him. There also was an editorial praising that great orator and patriot, the Reverend William H. (Billy) Sunday.

La Follette made the principal address for the minority. He said that "wealth has never yet sacrificed itself on the altar of patriotism in any war." He struck the very keynote of the current neutrality measures when he proclaimed his dissent in these terms, "I say this, that the comparatively small privilege of the right of an American citizen to ride on a munition-loaded ship, flying a foreign flag, is too small to involve this Government in the loss of millions of lives * * *."

Over La Follette flowed a raging torrent of abuse and calumny. Stated the North American Review, "Wisconsin is the Badger State and was beguiled into sending to the Senate a two-legged specimen of the most detested species of the badger family." Charles Edward Russell was quoted as being equally delightful, "La Follette is simply a big yellow streak." Thundered Theodore Roosevelt, Sr., "La Follette is a sinister enemy of democracy. I wish we could make him a gift to the Kaiser for use in his Reichstag."

A flood of resolutions demanded the denunciation, and even the expulsion, of the Senators who had voted against the war resolution. Several public groups in Oregon requested that Senator Lane be banished to another country. La Follette was condemned by the legislature of his State, the lower house voting in favor of such action 53 to 32, and the senate 26 to 4. In the same room where the upper chamber took this step Senator NYE last year declared, "It is you whom we honor today * * * who was called un-American, disloyal, trouble-maker, underminer of democracy, pro-German, fool, knave, publicity hunter, liar, deceiver, for having dared to speak the truth that one and all can know today to have been the truth."

Tremendous national interest centered on the dissenters. Although an overwhelming majority of the Senate favored the declaration of war, much of the New York Times was devoted to the disagreeing half dozen:

"La Follette scourged by Williams as pro-German and anti-American—'Treason' cry at NORRIS—Nebraska Senator denounced for hinting that commercialism prompted Nation's course—Opponents 'willful men'—Three from each party—La Follette, in 4-hour speech, assailed Great Britain."

In 1917 a United States Senator was vilified and castigated for "hinting" that greed propelled his country into war. In 1935 the Nye committee released to the press of the Nation copies of the famous cable from Ambassador Page in London, which Wilson received at almost the same time he branded the dissenters as "willful men." Dated March 5, 1917, the message stated:

"The pressure of this approaching crisis, I am certain, has gone beyond the ability of the Morgan financial agency for the British and French Governments. * * * It is not improbable that the only way of maintaining our present preeminent trade position and averting a panic is by declaring war on Germany. * * *"

Apparently the editorial writer on the New York Herald was as unaware of the existence of the Page cable as the rest of his countrymen when he thus made short shrift of the dissenters:

"They will be fortunate if their names do not go down into history bracketed with that of Benedict Arnold."

Inspired by the filibuster against Wilson's armed-ship bill and by the opposition to the war resolution, these and similarly titled editorials appeared:

"Action Approaches Treason." (Portland (Me.) Press.)
"Imitators of Benedict Arnold." (Philadelphia Record.)
"The Senate Roll of Dishonor." (Richmond Times-Dispatch.)
"The Nation Has Been Disgraced." (Wheeling Register.)

The attempts to humiliate and embarrass the six men who had voted "no" took almost unbelievable forms. In hundreds of communities they were burned in effigy. Any political opportunist seeking publicity or any salesman after free advertising for his product could jump into the public print if he would vilify Gronna, Norris, Vardaman, Lane, Stone, or La Follette. Such epithets as "copperheads" and "skunks" were typical. A Roman

holiday was held throughout the land at their expense. They were cartooned in German uniforms. Iron crosses were sent them through the mail. Speaking engagements were abruptly canceled, and they were given no explanation. School children were taught that the six dissenting Senators represented the nadir of shame and despair.

Under this withering fire the half dozen old men reacted differently in all save one respect: They refused to yield their conviction that entrance into the war was a folly and crime. La Follette, gathered with a few friends in the basement of the Capitol, said, "The children may live to see the day when sentiment will change toward me. * * * I never shall." Lane's health failed rapidly. His face sagged; he became almost unrecognizable. Going about the Senate, he would have to be supported by NORRIS or La Follette. Near the end of his days in Washington, a blood vessel burst in his head and he could scarcely see. NORRIS went home to Nebraska and risked being lynched to tell a vast crowd why he had taken a position against the war resolution. He had the courage to resign from the Senate and stand for reelection on his record.

Each of the six men suffered abuse until his death—with the solitary exception of NORRIS, who has lived to see his stand vindicated. Vardaman, surviving until 1930, witnessed the start of the change in sentiment, but for years the names of the dissenting half dozen were on the —— of a —— list of innumerable publicatcns. Lane and Stone died before the war was ended; Gronna passed on in 1922, and La Follette was stricken in the summer of 1925, a year after his unsuccessful campaign for the Presidency, during which his war record was continually branded as "treasonable."

There is no more forceful object lesson against war hysteria than the story of the Senators (although not present at the time of the vote, Senator THOMAS P. GORE, of Oklahoma, was reported as being opposed to the declaration of war) who braved a hurricane of contumely to vote against America's leap into the maelstrom on the other side of the Atlantic. Seventeen years after the final volley of the "war to make the world safe for democracy" and "the war to end war", despots on two continents again march toward Armageddon. This reawakening of the martial spirit abroad has prompted America to attempt to compensate for the terrific hatred it vented on six old men in 1917.

Last year memorial services were held at the graves of the dissenting Senators who have died. La Follette's two sons are Governor and senior United States Senator from Wisconsin. One of Gronna's sons is North Dakota's secretary of state, the other a district judge and former State's attorney general. Citizens in Oregon are planning erection of a statue to Senator Lane. A memorial recently was unveiled at Nevada, Mo., in tribute to Senator Stone. Speaking at the dedication of the Stone monument, Senator EENNETT CHAMP CLARK, member of the Nye Munitions Committee, declared:

"Well we had our war. * * * The whole world has been passing through the fiery aftermath of that war. Brutal dictatorships are in the ascendant in nearly every land as a result of the war to make the world safe for democracy. * * * And across the years I still see the figure of that man looking out to the light, willing to sacrifice his own political life in a protest against these things coming into being."

LISTENING TO MR. B—ARTICLE BY F. W. HART

Mr. NORRIS. Mr. President, I hold in my hand an article by Mr. F. W. Hart, which appeared in the February 1936 number of the magazine known as the Social Frontier. I have received this article from a member of the National Educational Association, and in the letter transmitting it the writer says:

The attached article in the Social Frontier for February describes one of the most insidious instruments of Wall Street propaganda in the Nation.

After a careful reading of the article I agree with the opinion expressed by the writer who has sent this article to me. I have changed the text of the article by striking out the name of the individual who was supposed to be the speaker at the banquet referred to, substituting a simple letter, because I do not care to identify anyone with the activities described here. The article is entitled "Listening to Mr. B." I ask unanimous consent that it be printed in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Social Frontier for February 1936]

LISTENING TO MR. B

Some 300 schoolmen—old and young—teachers, supervisors, principals, and superintendents, are gathered for their annual banquet, an event held in conjunction with the teachers' institute. Music adds to the spirit of good cheer and friendly fellowship. Dinner is served, and routine matters of announcement, business, and other preliminaries are quickly disposed of by the presiding officer. The president of the teachers' association is called upon to introduce the principal speaker of the evening.

SAUL AMONG THE PROPHETS

The president takes the microphone and proceeds, in characteristic fashion, to relate in some detail the Nation-wide search for the most distinguished speaker, with the most profound message, to be found in all the land and concludes his eulogy of high and mighty tributes by introducing Mr. B. Officially and ostensibly, Mr. B is the personnel director of the New York Stock Exchange; actually, as it is to appear later, he is quite another character.

As he rises to speak, I am impressed most favorably indeed by his easy, pleasing manner, his genial, happy smile, and his fascinating personality. Age has not stolen his youth; life has not dimmed his light. As he speaks, I hear the soft, soothing voice of a kindly man who might grace the pulpit in a devotional service—a voice in harmony with the spirit and beauty of a great cathedral. I can all but hear the last lingering tones of the pipe organ and the hovering reverberations of the final note of the choir. With deep gratitude, Mr. B expresses his unbounded joy at being in our midst again after 4 long years of painful separation and his profound appreciation of the privilege of speaking to us, his beloved friends and companions. And then, with persuasive words, studied but suave and pervading, he tells us that we, the leaders of public education, are responsible for the only really big business of the Nation—that all other big business sinks into insignificance in comparison. Multiplied millions of children in our schools, billions in our budgets, and the ultimate destiny of humanity and civilization in our hands, makes of us the greatest of all big business executives. We hang on every word, we thrill with the thought, we drink it in and expand almost visibly. We are being prepared—prepared for the operation to follow, the removal of our social intelligence.

With his admiring audience thus prepared—conditioned—Mr. B with all the skill and technique of a great surgeon proceeds to fabricate a beautiful halo to hide the horns of big business and to shroud the United States Chamber of Commerce, the Liberty League, and the rugged individualists in a holy robe of human sympathy, benevolence, and generosity. We are piously persuaded that the New York Stock Exchange is the Hull house of humanity and that Wall Street is paved with piety and justice.

SALVATION THROUGH FAITH IN THE RICH

We listen eagerly to the soul-stirring stories of how men and women of wealth in almost every community are literally pining away, sick at heart, and lonely because the school officials have not asked them to donate a pipe organ for the new high-school auditorium or given them a chance to know the great joy of serving their fellowmen. We are moved almost to tears by the pathos of the account of how one dear little old lady of wealth was finally given her chance.

A campaign for welfare funds had fallen short of its goal. The guest of a committeeman, a stranger to the town, was present at the meeting of the committee in which they despaired of all hope. At this point the stranger ventured to ask, "Are there no rich people in your town?" The answer was, "Yes; an old lady who is very wealthy." "Will you go with me now to see her?" the stranger asked. It was agreed. They went. With tears in his voice, Mr. B unfolded to us a beautiful vision of this dear little old lady writing out a check for $500. Oh! the joy on the dear little lady's face. We all stood up reasonably well under this dramatic parable, but the sequel pulled handkerchiefs from the hips of all but the hard of heart.

It seems that the stranger returned to the city some years later, told his friend that there was just one person he wished more than any other to see, namely, the little old lady. Was she still living? Was she well? Might he see her? Yes; he could see her—see her alone. He went to her home. She was in the garden walking among her roses. The stranger introduced himself and recalled the occasion of their former meeting. Did she remember? The joy on her face was her answer. "Would you like a rose for your buttonhole"? she asked. He would be delighted. She tenderly plucked a beautiful rosebud, excused herself, went into the house, and a moment later returned and pinned the rose on his lapel with trembling hands. They visited and he returned to the home of his friend. Then, he discovered to his amazement and consternation that the rose was pinned to his coat with a beautiful diamond pin. He rushed back to the home of the dear little old lady to apprise her of her mistake. But no! It was not a mistake. She assured him, with tears trickling down her radiant face, that it was just a little token of her appreciation of what he had done for her on that memorable occasion when she had been permitted, through his efforts, to contribute to human welfare—to serve her fellow man.

We are told in confidence that we are neglecting a great opportunity by not inviting 15 or 20 of the "kingpins" of business in our community to sit with us in our councils on educational policy and school support (a superboard of education). Some who were listening trembled slightly at the thought, recalling the "kingpin" power of "invisible government", "superboards", "kitchen cabinets", and "citizens' committees" they had known.

Some reflected on the attempted destruction of the Chicago school at the hands of a citizens' committee, kingpins of the first order. Others found cases closer home, but the "spell" of hypnosis was upon us, and such momentary pricks of intelligence were quickly removed by the skillful manipulations of Mr. B, our mental surgeon.

The "kingpins" of business were to tell us, also, just what business expects of the schools—good penmanship; stenographers who can spell correctly; clerks who can do arithmetic accurately (and remember to add the sales tax); supermechanics; supercosmetolo-

gists; docile, uncritical servants of the status quo. There is no reference to the cultivation of social intelligence in the schools; no mention of citizenship in a democracy dedicated to human rights, social justice, and the general welfare of society.

THE SPELL IS BROKEN

If doubts arise again in the minds of the more skeptical, we are quickly put under by Mr. B's assuring us that schoolmen throughout the length and breadth of the land, year in and year out, are urging him, pleading with him, to come and speak at their institutes or talk to their student assemblies. These invitations are so frequent and so insistent that should he accept them all, which he would love to do more than anything else in the world, he would have no time for his duties in the stock exchange. On one occasion we hear that 75 letters had piled up on Mr. B's desk. Their neglect grieved him sorely. He took them to his superior for counsel. Later in the day the superior is reported to have said: "Mr. B, I have read every one of these letters; I am deeply moved; you must go." Finally, for the benefit of those to whom this report of how 75 appeals had moved the heart of the director of the New York Stock Exchange was insufficient evidence, Mr. B tells us, with tearful remorse, that at the present time there are 850 such appeals for his services piled on his desk in Wall Street. We grieve with him that the New York Stock Exchange has only one Mr. B. Wall Street probably grieves also.

The schoolmasters' banquet ends in prolonged applause. I applaud. I walk down the long corridor and hear on every hand, "Wasn't that a wonderful message." I shake myself violently. I strive, all but vainly, to get hold of my intelligence. I stop and stare about, feeling much as I once had after taking gas to have a tooth pulled. Then I see the cold, unmoved faces of a few men I know to be critical thinkers. They are not saying, "Wasn't that a wonderful message." Their presence helps. The spell is broken. The vision disappears—even the vision of the dear little old lady with the rose and the diamond pin disappears. I am myself again. I now see, and see clearly, that for the hour I have been the victim of the most subtle, most seductive, most plausible, and most vicious propaganda—propaganda cunningly conceived, perfectly planned, and masterfully executed by big business in the interest of the preservation of the status quo—propaganda coldly calculated to sway the schools of a nation into harmony and accord with that social philosophy which places property rights above human rights, individual welfare above the general welfare, and greed above all.

F. W. HART.

CONDITIONS IN EUROPE—ARTICLE BY LIVINGSTON HARTLEY

Mr. POPE. Mr. President, I ask permission to have printed in the RECORD an article published in the Washington Post of Thursday, March 19, 1936, entitled "Diminishing Crisis", written by Livingston Hartley. It seems to me to be such an able and careful analysis of the European situation that it is entitled to a permanent place in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post of Mar. 19, 1936]

DIMINISHING CRISIS—VALUE OF LEAGUE MACHINERY SEEN IN DELAY BY DECISION NOT TO FIGHT OVER RHINELAND MILITARIZATION

By Livingston Hartley

Hitler's latest blow at the treaty structure of peace has been followed by 12 frenzied days in Europe. These have been marked by constant negotiations, alarmist headlines, public anxiety, and statesmen scurrying across Europe, with the true situation obscured by a diplomatic fog which alternately lifts and thickens. Already, however, certain salient features of the present crisis are beginning to loom out of this fog which hides so much that is happening in London, Paris, and Berlin.

When German troops marched into the demilitarized zone of the Rhineland, France and Belgium were faced with two alternatives. The first was to take immediate military action against Germany, as permitted under the Locarno Treaty, should they "satisfy" themselves that immediate steps were "necessary." The second alternative was to refer Germany's action to the Council of the League of Nations, whose "recommendation" the Locarno Treaty bound them to carry out.

The decision of the French and Belgian Governments to choose the second alternative and avoid immediate military measures which would certainly have led to war, was consequently of the highest importance. It facilitated the League procedure of delay until first reactions cool, with consequent opportunity to bring about a satisfactory peaceful settlement. The long discussion and preparation that League procedure requires before forceful action is taken were probably never more necessary than now.

One salient feature of the present crisis is the radical difference it presents to the problem the Council had to confront in relation to the Ethiopian war. Germany occupied her own territory without any shooting, whereas Italy invaded the territory of a fellow member of the League with bombs, shells, and bullets. The practical difference between these two situations, however, is no more marked than the legal.

Mussolini's invasion of Ethiopia was a direct contravention of several articles of the League Covenant. Article 16 of the Covenant, providing for sanctions, was therefore invoked, and all the members of the League were bound by definite treaty obligations to take action against Italy.

Germany, in spite of her defiance of the Locarno Treaty, has not directly violated any article of the League Covenant. Her action, moreover, has been appealed to the League under the Locarno Treaty and not under the Covenant. Consequently, the fifty-odd members of the League who were not parties to Locarno have no obligation under the Covenant to take action against Germany. Disinterested nations, such as Argentina, Finland, and Siam, were bound by specific engagements to restrain Italian aggression. These same nations will have no legal obligation to fulfill any recommendations the League Council may make in the present crisis unless it is shown that German action veils uncontestable aggressive intent.

Military action against Germany is still a bare possibility, although developments at London have made it appear highly unlikely. It is generally agreed by military experts that the French and their allies are in a position to drive German troops out of the Rhineland and win a decisive victory over the Reich. Such a victory might create economic chaos in Germany, but it would also bring about the downfall of the Nazi government and end, perhaps for a decade, the German menace, which is the fundamental threat to the future of Europe.

The general staffs of France and her allies might be tempted to follow this course as an insurance against an even more serious European war in the next few years for two reasons: Germany is not yet ready, and Germany now stands alone. Their Governments, however, are restrained by other considerations. Even if military victory over Germany should be certain, the cost to all belligerents would be appalling.

The French undoubtedly have a logical case for smashing Nazi Germany now. Hitler may be sincere in his offer of 25 years of peace. But Hitler, or his successor, may no longer be sincere 2 years from now if the German war machine is then the most powerful in Europe. Progressive violations of treaties have weakened the faith of all nations in German engagements, no matter how solemnly accepted, and Nazi leaders have so often proclaimed their intention of uniting Austrians and all minorities of German "race" in the Reich that it takes optimism to believe they will stop at the present stage of their widely publicized program.

Military attack, however, is not the only means of destroying the growing German menace. Since Germany's gold reserve is only sufficient to cover some 2 percent of her annual imports, and since foreign trade plays so vital a role in maintaining an economic structure which has long tottered on the brink of an abyss, Germany is very vulnerable to economic and financial sanctions. Hitler himself is peculiarly susceptible to economic pressure, because the big German industrialists have long been a principal bulwark of his real political power. In view of these conditions, there is reason to believe that a boycott of German exports alone might suffice to bring the Reich to terms in the Rhineland, or to cause the downfall of the Nazi Government. Sanctions, consequently, are being given consideration by some of the governments represented in London.

The problem is still very different from that created by the Ethiopian war, because the non-Locarno members of the League have no obligation to enforce sanctions to make Germany withdraw her troops from the Rhineland. Nevertheless, trade statistics indicate that a boycott of German exports by relatively few European powers might be exceedingly effective. But the more effective against Germany, the more sanctions would injure the nations applying them, if few in number.

Sanctions against Germany are not impossible if the efforts of the League Council to reach a satisfactory settlement fail, even though the Italian Government is opposed to participating in any sanctionist measures. But Italian objection to collective economic action against Germany is not necessarily decisive.

The decisive influence in the Council's final action is not Italy but Great Britain. Since the national interests of Great Britain and France are divergent in the present crisis, the first problem at London is a compromise solution which will serve them both. France and Belgium might be brought to accept a settlement with Germany along the lines proposed by Hitler through a definite British guaranty of their eastern frontier, or the British Government might participate in economic sanctions against Germany in exchange for a French agreement to stand by collective security in the Ethiopian war.

Italy, while a vitally important participant in military action against Germany, stands to lose out if the Rhineland problem is dealt with along either of these two lines. Mussolini, therefore, must tread lightly in London in obstructing the action of the Council and perhaps even show restraint in his attitude toward the terms of an African peace.

The present crisis is potentially the most dangerous that Europe has traversed since 1918, yet every indication now proclaims that it will be settled by negotiation. Those who observe the scene at London and remember the aftermath of that pistol shot at Serajevo must realize that there has been some progress in international life and recognize the practical utility, however, dilatory and devoid of dash and drama, of the machinery of the League of Nations.

TAXATION OF BANK SECURITIES OWNED BY THE R. F. C.

The VICE PRESIDENT. The Chair lays before the Senate the amendment of the House of Representatives to Senate bill 3978, which will be stated.

The CHIEF CLERK. The amendment of the House of Representatives to the bill (S. 3978) relating to taxation of shares of preferred stock, capital notes, and debentures of

banks while owned by the Reconstruction Finance Corporation and reaffirming their immunity is, on page 2, to strike out section 2 and in lieu thereof to insert:

SEC. 2. Effective upon the date of enactment of this act, interest charges on all loans by the Reconstruction Finance Corporation to closed banks and trust companies, now in force, or made subsequent to the date of enactment of this act, shall not exceed 3½ percent per annum on condition that the rate of interest charged debtors of such banks or trust companies shall not exceed 4½ percent per annum; otherwise such interest rate shall be as fixed by the Reconstruction Finance Corporation: *Provided, however,* That no provision of this act shall be construed to authorize a reduction in the rate of interest on such loans by the Reconstruction Finance Corporation retroactive from the date of enactment of this act.

Mr. FLETCHER. I move that the Senate concur in the amendment of the House.

Mr. BENSON. Mr. President, I thought yesterday that we had an understanding that this bill would not be considered for at least a day or two, certainly not today. It may be that is not correct, but that was my understanding, and I talked both to the Senator from Colorado [Mr. ADAMS] and the Senator from Florida [Mr. FLETCHER].

Mr. FLETCHER. Mr. President, I had no understanding at all with anybody except that the amendment of the House would lie on the table and be taken up today. That was my understanding.

Mr. NORRIS. Mr. President, may I interrupt the Senator from Minnesota?

Mr. BENSON. Certainly.

Mr. NORRIS. Does the Senator want more time in which to consider the matter?

Mr. BENSON. I certainly should like to have more time.

Mr. NORRIS. I suggest that more time be accorded to the Senator from Minnesota.

Mr. ROBINSON. Mr. President, I understand that there is a reason for considering the House amendment now and finally disposing of the bill. The reason is that, unless the bill is acted upon, in certain States taxes will be collected today. I had no information of any suggestion for a delay in its consideration. No one has mentioned the matter to me, so far as I recall.

Mr. BENSON. Mr. President, the amendment in which we are asked to concur involves a very important matter. I do not propose to permit it to be acted upon at this time without registering some protest.

During the time I have been in the Senate I have heard many Senators on the Republican and the Democratic sides of the Chamber talk about State rights. It seems to me it is about time that, rather than talk about State rights, we should vote in the direction of maintaining them.

Here is a measure which we are asked to rush through Congress at the request of certain privileged interests in the country in order that they may escape the payment of just taxes which should be levied upon them, and which the States ought to have a right to levy.

This fight has been before Congress for many years. The Committee on Banking and Currency have refused to report out of the committee a bill which would permit my State, the State of Minnesota, to tax our national banks as we tax other banks in Minnesota and as we tax other business institutions in that State.

Mr. FLETCHER. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Minnesota yield to the Senator from Florida?

Mr. BENSON. I yield.

Mr. FLETCHER. There is nothing to prevent Minnesota from changing her laws so she may tax banks along with other institutions. All the State of Minnesota has to do is to enact a law to that effect.

Mr. BENSON. No; there is nothing to prevent it except an act of Congress and the action of the Supreme Court of the United States in the case of the State of Minnesota against First National Bank. That is all.

Mr. FLETCHER. It depends on the State law. It does not depend on an act of Congress, as I understand.

Mr. BENSON. That may be the way the Senator from Florida understands it, but that is not correct. It depends entirely upon an act of Congress. The Senator from Florida knows, and every Senator here knows, that the Supreme Court has held that we cannot tax national banks except as Congress permits States to tax them.

Mr. GLASS. Mr. President——

The VICE PRESIDENT. Does the Senator from Minnesota yield to the Senator from Virginia?

Mr. BENSON. I yield.

Mr. GLASS. The Senator knows perfectly well that if the Legislature of Minnesota should enact a law taxing moneyed capital in competition with national banks, that would settle the matter so far as Minnesota is concerned.

Mr. BENSON. The Senator from Virginia knows very well that the State of Minnesota should have a perfect right to tax national banks on the same basis that it taxes State banks in Minnesota operating in competition with national banks, but the Banking and Currency Committee of the United States Senate refuse even to vote upon the question and have so refused for years and years.

Mr. GLASS. Oh, no; the Committee on Banking and Currency of the Senate for the last 12 years have voted upon the question time after time and have invariably taken the position that Minnesota could adjust the matter by a legislative act. There was no need for the Banking and Currency Committee to report a bill to disturb the situation in all the other States merely in order to accommodate Minnesota.

Mr. BENSON. In answer to the Senator from Virginia I must say that the Senator must know that if a law were enacted by Congress permitting not only Minnesota but every State in the Union to tax national banks on the same basis on which State banks are taxed, it would not disturb the taxing powers of any State, but would give Minnesota the right to tax national banks as she taxes State banks.

Mr. GLASS. It would disturb conditions in many of the other States.

Mr. BENSON. In just what manner would it disturb them?

Mr. GLASS. Minnesota can settle the matter for herself. If she would enact a law taxing moneyed capital in competition with national banks and in accordance with the decision of the Supreme Court of the United States, that would settle the matter so far as Minnesota is concerned.

Mr. BENSON. For the information of Senators I wish to say that in the case of the State of Minnesota against First National Bank of St. Paul, the Supreme Court of the United States held that Minnesota could not tax national banks if there was any money in Minnesota coming in competition with national banks, even though it be in the hands of private individuals loaned, we will say, on real estate mortgages on which there is merely a mortgage registration tax. If the Senator from Virginia wants to concur in that kind of legislation on the part of the Supreme Court, I hope he will so acknowledge it here before the United States Senate.

Mr. GLASS. Oh, yes; I concur in all the decisions of the Supreme Court even when I disagree with them.

Mr. BENSON. I presume the Senator also concurs in legislation on the part of the Supreme Court.

Mr. GLASS. No; I do not think the Supreme Court legislates.

Mr. BENSON. It did in that case.

Mr. GLASS. I do not agree with the Senator as to that.

Mr. SHIPSTEAD. Mr. President, money in State banks, and the capital stock and surplus of State banks, are in competition with the same items in the case of national banks.

Mr. BENSON. They certainly are.

Mr. SHIPSTEAD. So to tax the national banks would only put them on a parity with the State banks.

Mr. BENSON. My colleague is correct. The senior Senator from Minnesota is familiar with this situation, and knows well that in Minnesota we do not propose to tax national banks in any other manner than that in which we tax State banks. That should and ought to be done, and Minnesota should have a right to do that. I repeat, however, that the Banking and Currency Committee of the Senate has refused

for many years to report out of committee a bill which would permit the State of Minnesota to do that; and, as a result, this year Minnesota is to lose $2,000,000 in taxes which we otherwise would collect. For that reason I am very vitally interested in this bill.

Mr. SHIPSTEAD. Mr. President, will my colleague yield?

Mr. BENSON. Yes.

Mr. SHIPSTEAD. The national banks of Minnesota for years have recognized the equity of the contention for which the Senator speaks to the extent that for a long period of years they have voluntarily paid taxes which under the law could not be assessed against them.

Mr. BENSON. That is correct. For many years—in fact, since 1928, when this case was decided in the Supreme Court of the United States, as my colleague has stated—all but six, I believe, of the national banks in Minnesota have voluntarily paid their taxes. This year, however, they have served notice on our tax commission that they refuse further to pay their taxes as long as the Congress of the United States refuses to act upon this matter, and as long as the Banking and Currency Committee refuses to permit the United States Senate to vote upon the question.

Mr. FLETCHER. Mr. President, I may say to the Senator that some bills on the subject are now pending before the Banking and Currency Committee. They have been referred to a subcommittee of which the senior Senator from Virginia [Mr. GLASS] is chairman, and they are still before the subcommittee. They have not been acted upon by the Banking and Currency Committee; but I do not see how this bill interferes with that.

Mr. BENSON. I am very happy to know that at last they have referred the matter to a subcommittee; but I do not know that that is going to help the State of Minnesota a great deal. What we want is a change in the law in such a way as to permit us to tax national banks in the same manner that we tax other banks in our State.

In answer to the Senator's statement that the measure now under consideration has no bearing upon the subject upon which I speak, I wish to say that it seems to me it has a very material bearing, in that it is further strengthening the position of the national banks in this country, which say to Minnesota and say to 16 other States, and might very logically say to any State in the Union, "You have no right to tax us." In fact, in answer to the questions which have been suggested here, I wish to say that every lawyer here at least knows that according to decisions of our Supreme Court, a national bank could loan money in Oregon or Nebraska or Minnesota at 10 or 15 or 20 or 30 percent, and nothing could be done about it under the laws of those States, except that Congress has made that unlawful. Why could they not do the same thing regarding the taxation of banks? If the State of Virginia says it is unlawful to charge more than 6 percent interest, if it were not for an act of Congress the national banks there could exact 20 percent interest, and there is nothing that the State of Virginia could do about it.

Mr. GLASS. Oh, no, Mr. President; the National Bank Act provides that no national bank shall charge a larger discount rate than is permitted by the statutes of the State in which it is located.

Mr. BENSON. The Senator from Virginia has answered my question. Why should not that also apply to the taxation of national banks?

Mr. GLASS. The Senator from Minnesota knows very well why the banks of his own State of Minnesota voluntarily paid this tax for a number of years. It was because they did not wish to be segregated as banks for special taxation. That is the only reason why they did it. Minnesota may settle the whole question, however, and collect its $2,000,000 by simply enacting a statute taxing moneyed capital in competition with banks just as it taxes banks.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Minnesota yield to the Senator from Washington?

Mr. BENSON. I do.

Mr. SCHWELLENBACH. I should like to say, by way of preliminary to my question, that I agree entirely with the Senator from Minnesota. The State of Washington is not only in the same position as is the State of Minnesota, but it is in a worse position, because our national banks have never been willing voluntarily to pay the tax. I agree that it is an outrage that Congress has never passed legislation under which they can be compelled to do so.

Talk about competing capital! Even when that statement is found in the reports of the United States Supreme Court, it is entirely false. It is not competing capital. If the State of Minnesota or the State of Washington desired to surrender to the banks of those States and drive out of business savings and loan associations and other kinds of institutions which are not competing with the banks, of course, they could do so; but this talk of banks about competing capital is a mere subterfuge. I think every State should be entitled to tax the banks within its borders; and I do not think the State of Washington or the State of Minnesota should be compelled to surrender to the banks in order to permit those banks to drive savings and loan associations out of business in our two States. I do not think the Federal Government should ask us to do that.

However, on this particular bill I am confronted with this problem: Since all the private owners of stock in banks in our State are exempt from taxation, since neither they nor anybody else have to pay any tax on bank stock, why should an agency of the United States Government be compelled to pay a tax on stock which it owns? That is the question with which I am confronted on this particular bill.

Mr. BENSON. The Senator from Washington has stated the position which I take much better than I myself could have stated it. In answer to the question which he raises, however, regarding the taxation of a Federal agency, I wish to say that I voted against the bill when it passed the Senate, and, had I the opportunity, I should again vote against it. I do not think the Federal agency should be exempt from taxation, even though the Congress of the United States does exempt from taxation those stocks in the hands of private individuals. I think the agency should pay the taxes, or compel the bank issuing the stock to pay the taxes. I do not think the State of Maryland or any other State should be denied the right to require that to be done; and that is the reason why I am entering this protest at this time, even though I realize that it is futile.

The Senator from Washington has mentioned, and I wish again to emphasize, the fact that the contention which the Supreme Court has raised, and the contention which the Banking and Currency Committee of the Senate apparently subscribe to, is that Minnesota and 16 other States of the United States may repeal their taxes on moneys and credits. They may repeal their mortgage registration taxes. They have no right to tax their national banks on the same basis that they tax State banks. They may repeal their laws taxing building and loan associations. They have no right to segregate banks. They have a right to segregate cattle; they have a right to segregate household goods; they have a right to segregate every other type of property; but when it comes to banks, they cannot do that! If that is sound reasoning, I do not understand reasoning.

I wish to say further that this matter has gone so far that at the present time we have here in Washington a man holding a high official position under this administration—not my administration, but the present Democratic administration—who boasts of the fact that he does not pay taxes on the banks he owns. He boasts of it. He is proud of the fact. I think it is about time for us to enact legislation that will make it impossible for such a thing to continue.

So I say that I think the amendment of the House should be rejected, and the bill should be referred to a committee to consider the matter, in order that it may again come before Congress, because, in my opinion, it never has had a fair hearing.

### INSPECTION AND ALLEGED SEIZURE OF TELEGRAMS, ETC.

Mr. STEIWER. Mr. President, some days ago I was accorded the privilege of presenting to the Senate certain

observations in connection with the process employed by the so-called lobby committee of the Senate which is acting under the authority of Senate Resolution 165. I desire at this time to add to the observations I then made.

I ought to make it clear at the beginning that I make no complaint against the subpenas which have been issued by that committee merely upon the ground that they lack in particularity or that they are not sufficiently specific, not accurately descriptive of the papers desired. Nor do I make any point of the fact that subpenas of the sort which are employed require a search on the part of the telegraph companies which, under some circumstances, might be oppressive, nor of any other matter which is distinctly procedural in its nature. For the purpose of the present discussion I am not interested in procedural phases.

I am interested in substantive rights of the citizen. A subpena which requires the production of all messages between named persons and between specified dates is so general that it invades the constitutional right of the citizen under the fourth amendment. When a subpena requires the production of messages which are not pertinent to any investigation which the Senate is qualified to make, and not material to any issue raised under the resolution, it invades the constitutional right of the citizen, and I urge that such a subpena ought not to be used; that its use ought to be discontinued, not only by this committee, but by any other committee which may have fallen into the error of resorting to process of this kind.

At the time when I attempted to present this matter before I had not been supplied with a copy of any subpena used by the committee except the one which had been referred to in the petition in a case filed in a local district court. My discussion upon an earlier occasion was limited to the subpena which I then had in my possession. Subsequently, through the courtesy of the chairman of the committee, I have been furnished with other subpenas. They are five in number, and I am assured by the Senator from Alabama [Mr. BLACK] that these subpenas are reasonably typical of the different subpenas which the committee has employed during its investigation. I am advised many hundreds of subpenas have been issued, and that there is no set form for that part of the subpena which requires the production of papers. I understand the variations in the subpenas are such that they fall into a number of different classes or categories, and, as I have said, the subpenas which have been furnished to me are reasonably typical of the classes or types of process which the committee has employed.

I am going to ask at this point in my remarks that the five subpenas be set out.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the subpenas were ordered to be printed in the RECORD, as follows:

[Form of subpena]

UNITED STATES OF AMERICA,
*Congress of the United States.*

To ——— ———, superintendent, ——— Telegraph Co., greeting:

Pursuant to lawful authority, you are hereby commanded to appear before the Special Committee to Investigate Lobbying Activities of the Senate of the United States, instanter, at —— o'clock — m., at their committee room, 160 Senate Office Building, Washington, D. C., then and there to testify what you may know relative to the subject matters under consideration by said committee; to produce instanter all telegrams and copies of telegrams sent to and from ——— (city) from January 1 to September 1, 1935, to and from all persons, relating to the so-called holding-company bill, or any other matter or proposal affecting legislation, and also relating to the passage or defeat of legislation, or to influence public contracts, activities, or concessions, and relating to any efforts to control directly or indirectly the sources and mediums of communication and information, and relating to political contributions and activities of such persons, corporations, partnerships, or groups, their officers and agents, as have sent telegrams to influence or have sought to influence legislation, public contracts, activities, or concessions.

Hereof fail not, as you will answer your default under the pains and penalties in such cases made and provided.

To ——— ——— to serve and return.

Given under my hand, by order of the committee, this — day of ———, in the year of our Lord 19—.

HUGO L. BLACK,
*Chairman, Special Senate Committee to Investigate Lobbying Activities.*

[Form of subpena]

UNITED STATES OF AMERICA,
*Congress of the United States.*

To ——— ———, superintendent, ——— Telegraph Co., greeting:

Pursuant to lawful authority, you are hereby commanded to appear before the Special Committee to Investigate Lobbying Activities of the Senate of the United States, instanter, at —— o'clock — m., at their committee room, 160 Senate Office Building, Washington, D. C., then and there to testify what you may know relative to the subject matters under consideration by said committee, and to produce all telegrams relative to the Wheeler-Rayburn bill sent between the dates of February 1 and October 1, 1935, from ——— ———(city).

Hereof fail not, as you will answer your default under the pains and penalties in such cases made and provided.

To ——— ——— to serve and return.

Given under my hand, by order of the committee, this — day of ———, in the year of our Lord 19—.

HUGO L. BLACK,
*Chairman, Special Committee to Investigate Lobbying Activities.*

[Form of subpena]

UNITED STATES OF AMERICA,
*Congress of the United States.*

To ——— ———, superintendent, ——— Telegraph Co., greeting:

Pursuant to lawful authority, you are hereby commanded to appear before the Special Committee to Investigate Lobbying Activities of the Senate of the United States instanter at —— o'clock — m., at their committee room, 160 Senate Office Building, Washington D. C., then and there to testify what you may know relative to the subject matters under consideration by said committee, and to produce all telegrams sent paid and/or received collect between the dates of February 1 and November 19, 1935, and charged to ——— (company) at ——— (city), and all of its associates, affiliates, and subsidiaries, and all of their known officers, employees, and agents.

Hereof fail not, as you will answer your default under the pains and penalties in such cases made and provided.

To ——— to serve and return.

Given under my hand, by order of the committee, this — day of ———, in the year of our Lord 19—.

HUGO L. BLACK,
*Chairman, Special Committee to Investigate Lobbying Activities.*

[Form of subpena]

UNITED STATES OF AMERICA,
*Congress of the United States.*

To ——— ———, superintendent, ——— Telegraph Co., greeting:

Pursuant to lawful authority, you are hereby commanded to appear before the Special Committee to Investigate Lobbying Activities of the Senate of the United States, instanter, at —— o'clock — m., at their committee room, 160 Senate Office Building, Washington, D. C., then and there to testify what you may know relative to the subject matters under consideration by said committee and to produce all telegrams sent paid and/or received collect between the dates of February 1 and November 19, 1935, and charged to ——— (individual) at ——— (city).

Hereof fail not, as you will answer your default under the pains and penalties in such cases made and provided.

To ——— ——— to serve and return.

Given under my hand, by order of the committee, this — day of ———, in the year of our Lord 19—.

HUGO L. BLACK,
*Chairman, Special Committee to Investigate Lobbying Activities.*

[Form of subpena]

UNITED STATES OF AMERICA,
*Congress of the United States.*

To ——— ———, superintendent, ——— Telegraph Co., greeting:

Pursuant to lawful authority, you are hereby commanded to appear before the Special Committee to Investigate Lobbying Activities of the Senate of the United States, instanter at —— o'clock —. m., at their committee room, 160 Senate Office Building, Washington, D. C., then and there to testify what you may know relative to the subject matters under consideration by said committee, and to produce at said time and place all telegrams as per the attachment.

Hereof fail not, as you will answer your default under the pains and penalties in such cases made and provided.

To ——— ——— to serve and return.

Given under my hand, by order of the committee, this — day of ———, in the year of our Lord 19—.

HUGO L. BLACK,
*Chairman, Special Committee to Investigate Lobbying Activities.*

ATTACHMENT

All telegrams sent paid and received collect at ——— (city) between the dates of February 1 and August 1, 1935, and charged to the following:

(Company) ——— ———.

(Individuals) ——— ———.

Mr. STEIWER. Mr. President, I have numbered the subpenas for convenience in discussion.

Mr. JOHNSON. Will the Senator read just one of the subpenas, please? I have never seen one in print, and I do not know exactly what is contained in the subpenas.

Mr. STEIWER. I shall be happy to do that. I was saying that I have numbered the subpenas for convenience in discussion.

Subpena no. 1 is entirely specific and definite. I have no criticism to make of it and am placing it in the RECORD in order to offer all of the subpenas which were supplied to me by the chairman of the so-called lobby committee, and in order that my presentation may be a fair presentation of the processes employed by the committee.

Subpena no. 2 is not equally specific as subpena no. 1; yet I concede it might be justified, and I submit no observations concerning it.

Subpenas nos. 3, 4, and 5, however, fall within the condemnation of the legal principles which I cited in the earlier debate on this question, and, at the request of the Senator from California, and in order that Senators may know exactly what it is that confronts us, I am going to read from each of these subpenas that portion which requires the production of the telegrams.

Before I read I should say that in no case do these copies disclose the names of the senders of the subpenaed telegrams. The chairman of the committee thought it unwise, or he was unwilling, to disclose those names, and I did not insist upon that disclosure, because I am in no way interested in the identity of the people whose telegrams are being seized. I am interested only in the process itself, and to the effect of the procedure upon the people of the United States.

I now read the portion of subpena no. 3, to which I made reference:

——— to produce all telegrams sent, paid, and/or received collect between the dates of February 1 and November 19, 1935, and charged to ——— at ——— (city), and all of its associates, affiliates, and subsidiaries; and all of their known officers, employees, and agents.

From subpena no. 4 I read also the language which requires the production of papers, as follows:

——— to produce all telegrams sent, paid, and/or received collect between the dates of February 1 and November 19, 1935, and charged to ———.

Evidently that is the space provided for the name of the individual.

At ——— (city).

That evidently is the space provided for the city of the individual's residence.

Now, from subpena no. 5 I read the portion which requires the production of messages, which is as follows:

——— and to produce at said time and place all telegrams as per the attachment.

And the attachment which is supplied to me and which is attached to the form of subpena, reads as follows:

All telegrams sent paid and received collect at ——— (city)—

Leaving a space for the name of the city—

between the dates of February 1 and August 1, 1935, and charged to the following:

Leaving a space for the names of companies and a further space for the names of individuals.

A fair general characterization of these three types of subpenas is that they require the production of all telegrams sent between specified dates by named persons at named telegraphic offices. They demand no particular telegram; they demand no telegram on any specific or particular subject. There is in this process nothing from which the witness upon whom the subpena is served, or any other person, could determine what is relevant and what is not relevant. Obviously compliance with this subpena means that the telegraph company must produce for the inspection of the committee and its agents and employees every telegram sent by the persons whose names are endorsed on the subpena within the times specified. Of course, if those telegrams relate to material that is not related to the question of lobbying, and if in particular the telegrams relate to private matters, it inevitably follows that compliance with the subpena means that the privacy of the citizen is invaded.

In an earlier debate in this matter the Senator from Alabama advised the Senate that its committee was following the procedure always followed heretofore. I quote from page 3228 of the RECORD, from a statement made by the Senator from Alabama:

Now, I desire to make this statement to the Senate: Your committee is proceeding in exactly the same line of policy and under the same type of proceedings that have characterized every investigating committee since the first resolution of investigation was adopted in 1792.

Mr. President, I am not going to contradict the statement; in part it is a true statement; but I will say that my own investigation of different actions taken by Senate and House fails to support that statement. I will say also that the Library of Congress, after having its attention directed to the one case upon which the committee relies as authority for their procedure, advises me they can find no record that that case has ever been followed by Senate or House in the entire history of this country.

By the one case I mean one determination by one of the legislative branches of the Congress that a witness was bound to furnish the information which is required by subpenas of this sort.

As I stated in the earlier debate, there is one case which supports the procedure of the committee. That case was identified in the discussion between the Senator from Alabama [Mr. BLACK] and myself as the case in which the House held in contempt Mr. E. W. Barnes in the year, I think, 1877. By reason of the reliance of the committee upon that decision of the House I feel justified in calling attention to the facts underlying that action and to point out to the Senate the infirmities of the decision and the complete lack of justification for its use in supporting procedure employed at this time.

In that action of the House, Mr. President, we find, in the first place, that the contempt order was voted by a minority of the House. I make no particular point of that. It is a thing which might often happen. But the number of absentees and the number of those who voted in opposition to the order of contempt was considerably in excess of those who voted affirmatively.

A matter of more importance, however, is that the proceeding was itself impeached by lack of a valid subpena. In the RECORD of the Forty-fourth Congress, second session, at page 452, we find the form of what purports to be a subpena. It is very brief and I read from it:

To JOHN G. THOMPSON, *Esq., Sergeant at Arms, or his special messenger:*

You are hereby commanded to summon E. W. Barnes, manager of the Western Union Telegraph Co. at New Orleans, La., to be and appear before the Louisiana affairs special committee of the House of Representatives of the United States, of which Hon. William R. Morrison is chairman, and with you bring all telegrams sent or received by William Pitt Kellogg, S. B. Packard, John F. Casey, J. R. Pittkin, Henry C. Dibble, H. C. Warmoth, George W. Carter, and General Augur at the office of the Western Union Telegraph Co., New Orleans, from and after the 15th day of August 1876. * * *

I perceive no difference between a subpena which directs the production of "all telegrams" from and after a certain date, and a subpena which directs the production of "all telegrams" between certain named dates, and I very cheerfully concede that so far as the form of the subpena is concerned it is sufficiently identical with the form of the subpena at present used by the committee. But I have read this language to call attention to the fact that it is not in form a subpena running to the witness Barnes or to any other person. It is merely a direction to the Sergeant at Arms of the House of Representatives to command and summon the witness, and there is nothing in the record to disclose that any subpena was ever issued by the Sergeant at Arms or by any other person.

I imagine there would be no contention that the Sergeant at Arms would be authorized to issue a subpena in any event. I merely mention this to show the confusion of mind

with which the House considered the case of Mr. Barnes, and the utter confusion of mind when they finally voted by a minority vote to hold the witness in contempt when, in fact, so far as the record discloses, he had never been served with a subpena.

Another infirmity, and a still more serious infirmity, in the proceedings at that time is that there seems to have been a parole modification of this order. We find it at page 454 of the RECORD. It appears there that the witness Barnes, when he was before the bar of the House, made this statement:

On the 13th of December 1876 I was informed by the person handing me the subpena—

The subpena in question was the copy of the order made by the committee to the Sergeant at Arms—

I was informed by the person handing me the subpena that William R. Morrison, chairman of the committee, desired to see me, and I accordingly waited upon him.

Mr. Morrison asked me when I could furnish those messages.

I informed him that the search would take some time and would require finding all the messages of the parties named.

Mr. Morrison said, "We only need the campaign messages."

That ends the quotation. The investigation in question related to an election in the State of Louisiana. Throughout the debate it appears, first, that this statement of the witness was never impeached or contradicted, and, second, that the debate proceeded upon the assumption that this statement by the witness was a true statement. It was referred to by a number of different Representatives in the discussion which ensued upon the floor of the House.

So we are confronted with the fact that the subpena itself was not a subpena, but that if it be regarded as such that it was varied by the parole instructions of the chairman of the committee, and as varied it ceased to be the dragnet subpena against which I am complaining at this time; but it became an order to produce certain relevant, and not irrelevant, messages.

A third infirmity, Mr. President, is that the proceedings were further impeached by the equivocal basis upon which the respondent witness, Barnes, was held in contempt. I can illustrate what I mean by my characterization "equivocal basis" by reading briefly from the CONGRESSIONAL RECORD, to which I have referred. At page 604 we find that a question was raised concerning the precise proposition before the House. The question was raised as to what it was that this respondent witness had done that he was to be held in contempt by action of the House. I read briefly:

Mr. GARFIELD. I wish the gentleman would state whether the committee has found in that report—I did not catch the entire reading of it—that this subpena was a proper subpena to him, on which we can base proceedings for contempt.

I interject there to say that Representative Knott was the chairman of the Judiciary Committee and seemed to be in charge of this proceeding after the special committee had brought in its resolution for contempt. Mr. Knott answered as follows:

In answer to the inquiry of the gentleman from Ohio, I will say that a majority of the committee were of the opinion that this was a legal and sufficient subpena. There were others on the committee who denied its efficiency, who nevertheless concurred unanimously in the resolutions presented as the conclusions of the committee.

The resolution, Mr. President, discloses that it was not, strictly speaking, a resolution of contempt. And then a more important question was put. Mr. Garfield made this statement:

Mr. GARFIELD. I wish the gentleman would put it in a shape where the House can demand an answer to the questions propounded, and if he refuses the contempt will be in his refusal to do it, but not the refusal to answer under this subpena.

Mr. KNOTT. If the gentleman had listened to the resolutions, he would have found that they required that precisely to be done.

Mr. GARFIELD. Very well; but I would like to hear the resolutions again read.

The clerk again read the resolutions.

Mr. GARFIELD. A single question more. As I understand, from the reading of the resolutions, there is nothing in them that lays the foundation for a contempt for not heretofore producing the messages called for. If the witness shall refuse to produce them now, that will be the foundation for the contempt; is that it?

Mr. KNOTT. The gentleman can put his own construction upon the resolutions.

Mr. GARFIELD. I want to know the construction that the committee puts upon them.

Mr. KNOTT. The construction of the committee is contained in the report. The resolutions are susceptible of the construction that the witness will be in contempt if he violates the order now made or sought to be made in the first resolution.

Thus it appears that this witness could have been held in contempt for either his failure to produce the telegrams or for his failure to answer interrogatories propounded of him at the bar of the House. And there is nothing in that discussion which shows the real basis for the order which the House subsequently made.

After that discussion there followed a considerable volume of further debate, and finally the House, after a great deal of confusion, came to its conclusion, which is found on page 608 of the same RECORD.

At that time the resolution, which I have just referred to, and which was discussed by Mr. Garfield and Mr. Knott, was withdrawn and another resolution submitted to the House. The second resolution apparently holds the witness, Barnes, in contempt for failure to produce the papers required by the subpena, but even this conclusion is not a perfectly safe one. After the last resolution was offered there ensued certain further discussion, which indicated a difference of opinion as to what it was that the House was proceeding to do. I think I have never examined a parliamentary record more replete with confusion than is the record from which I am reading. It well deserves the examination of any Senator.

Finally, growing out of that conclusion was a vote holding Mr. Barnes in contempt.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. STEIWER. Yes; I yield to the Senator from Indiana.

Mr. MINTON. Did not the committee hold by a majority in that case, though, that the subpena which the Senator from Oregon has read into the record was a valid subpena?

Mr. STEIWER. Yes; the majority of the committee thought so, basing their view on the case of the United States against Babcock, which has been repudiated throughout history ever since. However, I will come to the Babcock case a little later.

Subsequently, the House took further action in which they directed that the witness might go in custody of the Sergeant at Arms back to New Orleans for the purpose of endeavoring to find out whether he could, in fact, produce the messages. It seems that he had been superseded in the office of which he had been in charge, and a serious question was presented as to whether he could comply with the subpena, even if he desired to comply with it. The last action of the House was that by which they permitted the witness to go in custody to see if he could produce the messages. I cannot find that subsequently there was any further effort to hold Mr. Barnes in contempt, nor that any penalty was visited upon him by reason of his failure to respond to the subpena in the first place.

I just said, in answer to the inquiry made by the Senator from Indiana, that a majority of the committee regarded the subpena as being sufficient and adequate. They filed with the House a report in which they set forth their views, and they based their conclusion in their written report, to a large extent, upon the authority of the case of the United States against Babcock, which is reported in Third Dillon at page 567.

In that case, Mr. President, the question of the constitutional right of the witness was not raised. The case stands entirely upon the sufficiency of the form of the subpena. It was urged that the subpena was not sufficiently specific. The Court held that the subpena was good, upon the ground upon which it had been attacked, but there is no reference that I can find from an examination of the case to the fourth amendment or to the right of the citizen under that amendment, and no contention that his right had been denied by the proceeding in the case. Nevertheless, the case was relied upon. At that time it was the only American case of any consequence that could have been relied upon to sustain the view of the majority of the committee.

Very shortly after that, however, the question came up squarely in Missouri, and in the Missouri case the Babcock case was discussed. I am referring now to the case of *Ex parte Brown*, which is reported in Seventy-second Missouri Reports at page 93. Before *Ex parte Brown* was considered by the Supreme Court of Missouri, there occurred the second annual meeting of the American Bar Association. At that meeting a lawyer of considerable reputation read a paper in which he discussed the question of the right to take messages from telegraph offices and particularly the process which ought to be employed in seeking that kind of evidentiary material. In this very able paper, the writer, Mr. Henry Hitchcock, urged that the action taken by the House and the holding by the Court in the Babcock case were alike in error. Here is what he says in his final summary of the action of the House in the Barnes case. I quote from page 6 of the paper to which I have referred:

It will hardly be claimed, under the circumstances, that this action of the Judiciary Committee and of a minority of the House of Representatives can be accepted as a judicial authority. It was taken at a time of extraordinary excitement, in connection with political controversies of the gravest character, by a parliamentary and not a judicial body, all parties composing which were deeply interested in the possible results of the disclosures sought. If the doctrine maintained by the House Judiciary Committee is to be upheld by the courts, then not only each House of Congress but equally each house of every State legislature is armed with the power, at will, through a committee or otherwise, to compel the production and inspection at any time of every private message remaining on file in any and every telegraph office within their respective States—not as being competent or relevant to any inquiry before it but for the mere purpose of finding out what evidence, pertinent or not pertinent to such inquiry, the messages there accumulated may disclose.

This paper, Mr. President, has been referred to a number of times by the courts of this country.

I said a moment ago that the Babcock case upon which the House committee based its reliance was considered by the Supreme Court of Missouri in the case of *Ex parte Brown*. In the Brown case the form of subpena was substantially the same as the form of subpena in the Babcock case and substantially the same as the pseudosubpena which was employed in the case in which Mr. Barnes was held in contempt by the House of Representatives. I will not read the form of the subpena. It is set out, however, in the decision and discloses that production is required of all papers sent by the persons named between certain dates named in the subpena. I will read only what the court said in respect to the constitutional question which is involved. I read from page 93 of volume 72 of the Missouri reports:

The only remaining question is, whether the messages, the production of which was commanded by the process, were described with sufficient accuracy, to justify the court in compelling obedience to it. The twenty-third section of our Bill of Rights declares: "That the people ought to be secure in their persons, papers, houses and effects, from unreasonable searches and seizures, and no warrant to search any place, or seize any person or thing can, issue without describing the place to be searched or the thing to be seized, as nearly as may be, nor without probable cause, supported by oath or affirmation."

That ends the quotation from the Bill of Rights. I now proceed with the opinion:

We are not prepared to agree with the court of appeals that this section has "but little bearing upon the present question, except by way of argument and illustration"; but if it has no other bearing upon the question, the argument and illustrations drawn from it possess a cogency not to be despised. The section declares—

I should interrupt myself there by reminding Senators, as they already know, that the provision of the bill of rights of the State of Missouri is, in substance and effect, identical with the provision of the fourth amendment to the Constitution of the United States. I quote further from the opinion:

This section declares that the people ought to be secure in their papers from unreasonable searches, and whether a subpena duces tecum for papers, or search warrant for chattels be issued, the spirit of that section demands that while in the latter case there must be probable cause, supported by oath or affirmation, with a description in the warrant of the place to be searched, or the thing to be searched for, in the other, it shall at least give a reasonably accurate description of the paper wanted, either by its date, title, substance, or the subject it relates to, and that it shall be shown to the court or authority issuing the process that there is a cause pending in a court and that the paper is material as evidence in the cause. To permit an indiscriminate search among all the papers in one's possession for no particular paper, but some paper which may throw some light on some issue involved in the trial of some cause pending, would lead to consequences that can be contemplated only with horror, and such a process is not to be tolerated among a free people. A grand jury has a general inquisitorial power. They may ask a witness coming before them, without reference to any particular offense which is a subject of inquiry, what he knows touching the violation of any section of the criminal code. Give such a body, in addition, the power to search any man's papers for evidence of some crime committed, and you convert it into a tribunal which would soon become as odious to American citizens as the star chamber was to Englishmen, or the Spanish Inquisition to the civilized world.

Here communications, at different times within a period of 15 months, sent or received by the parties named, are called for. The date, title, substance, or subject matter of none of them is given, and is utterly impossible that it could have been made to appear, without more, than any of the messages were material as evidence before the grand jury. Moreover, it not only called for all messages between the parties named, but for all which may have been sent or received by either of the parties, to or from any person on the face of the earth. A compliance with the order might have resulted in the production of confidential communications between husband and wife, client and attorney, confessor and penitent, parent and child. Matters which it deeply concerned the parties to keep secret from the world, and of no importance or value as evidence in any cause, might thus be disclosed to the annoyance and shame of the only persons interested.

Incidents in the lives of members of families which the happiness and welfare of the household require to be kept secret might be exposed, and offenses not recognizable by the law, long since committed and condoned, brought to light and hawked through the country by scandalmongers, to the disturbance of the peace of society and the destruction of the happiness of whole households. It is no answer to this that the obligation of secrecy imposed by law on grand juries would prevent such exposure. It is enough to disturb and harass a man that 12 of his neighbors, though sworn to secrecy, have acquired knowledge diminishing their respect for him, which they had no right to obtain, and they may be the very 12 men with whom, above all others, he most desired to be in good repute. Such an inquisition, if tolerated, would destroy the usefulness of this most important and valuable mode of communication by subjecting to exposure the private affairs of persons intrusting telegraph companies with messages for transmission to the prying curiosity of idle gossips, or the malice of malignant mischief makers.

This case has been followed in very many jurisdictions.

Mr. FLETCHER. Mr. President, will the Senator from Oregon yield?

Mr. STEIWER. Certainly.

Mr. FLETCHER. May I ask the Senator if he will not yield long enough for us to have a vote on the amendment of the House which I endeavored to bring up a little while ago?

Mr. STEIWER. I would prefer not to yield for that purpose at this time.

Mr. WALSH. Mr. President, will the Senator repeat the citation from which he just read?

Mr. STEIWER. It is *Ex parte Brown*, reported in volume 72 of Missouri reports, page 93.

Mr. WALSH. Has the Senator the citation showing that that decision has been approved and commended by other courts?

Mr. STEIWER. Yes; and I shall come to that in a moment. The case has been cited with approval and followed in numerous courts, including the Supreme Court of the United States. I shall come to that directly.

Mr. MINTON. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Oregon yield to the Senator from Indiana?

Mr. STEIWER. I yield.

Mr. MINTON. Did the Missouri case discuss the precedent which had been established in the House and which the Senator has been discussing?

Mr. STEIWER. Yes; *Ex parte Brown* was considered by the Supreme Court upon appeal from an intermediate court. The intermediate court did discuss the action of the House in the Barnes matter and relied on it. The decision from which I have been reading is a decision of the Supreme Court of the State of Missouri reversing the action of the intermediate court and disowning and repudiating the Barnes case. Generally speaking, the Barnes case has been repudiated and the Babcock case has been repudiated. Very

few opinions in the United States cite those cases to this proposition. They may cite them on some other proposition but not on this one.

Mr. MINTON. Did they repudiate them as parliamentary precedents or as judicial precedents?

Mr. STEIWER. Courts deal only with judicial questions.

Mr. MINTON. Certainly; and it can very well be seen that the Barnes case, which was a parliamentary question, would not be at all applicable in a court of law and might be repudiated by every court, and yet be a binding parliamentary precedent.

Mr. STEIWER. The Senator from Indiana made a suggestion like that in the earlier debate on this question. I then expressed my dissent from his position. Nothing will be gained by outlining my dissent in detail. I said then, and I say now, the question finally becomes a judicial question. No citizen is to be deprived of his rights under the Constitution of the United States without opportunity to resort to a petition in habeas corpus, which would finally take the case to the courts, and when the case goes to the courts it will be determined in accordance with the judicial utterances with which we are all becoming familiar.

I desire now to call attention very briefly to what was said by the Supreme Court of the United States in Hale against Henkel, reported in Two Hundred and First United States Reports, at page 43. I read first from page 76:

> We are also of opinion that an order for the production of books and papers may constitute an unreasonable search and seizure within the fourth amendment. While a search ordinarily implies a quest by an officer of the law, and a seizure contemplates a forcible dispossession of the owner, still, as was held in the Boyd case, the substance of the offense is the compulsory production of private papers, whether under a search warrant or a subpena duces tecum, against which the person, be he individual or corporation, is entitled to protection. Applying the test of reasonableness to the present case, we think the subpena duces tecum is far too sweeping in its terms to be regarded as reasonable.

At page 77 the court said:

> If the writ had required the production of all the books, papers, and documents found in the office of the MacAndrews & Forbes Co., it would scarcely be more universal in its operation or more completely put a stop to the business of that company. Indeed, it is difficult to say how its business could be carried on after it had been denuded of this mass of material, which is not shown to be necessary in the prosecution of this case, and is clearly in violation of the general principle of law with regard to the particularity required in the description of documents necessary to a search warrant or subpena. Doubtless many, if not all, of these documents may ultimately be required, but some necessity should be shown, either from an examination of the witnesses orally, or from the known transactions of these companies with the other companies implicated, or some evidence of their materiality produced, to justify an order for the production of such a mass of papers. A general subpena of this description is equally indefensible as a search warrant would be if couched in similar terms.

Then the Supreme Court cites the case we have been discussing, namely, *Ex parte Brown.*

Mr. President, it is interesting to note that the courts generally have regarded this citation by the Supreme Court as an adoption by that Court of the theory of the case of *Ex parte Brown* on the approval of its holding, and the Federal courts subsequently have followed the case of *Ex parte Brown* on the theory that the Supreme Court vindicated and approved the holding there made.

As an illustration of what is said by the courts, let me call attention to the case of United States against Terminal Railway Association, reported in One Hundred and Fifty-fourth Federal Reports, commencing at page 268. I read from page 271:

> In *Ex parte Brown* (72 Mo. 83, 96; 37 Am. Rep. 426) a very carefully considered case on that subject, the Court expressly declined to follow that case, saying:
>
> "The case of *Babcock* v. *United States* (3 Dill. 567; Fed. Cas. No. 14484) relied upon as an authority as to the sufficiency of the identification of the telegrams, supports the view it is cited to sustain; but, with the highest respect for the learning and ability of the judges who granted the order for the subpena in that case, we cannot agree with them. Their opinion, delivered by Judge Dillon, is totally at variance with our convictions on the subject."

Then the Federal district court said, after quoting the language which I have just read:

> This decision of the Supreme Court of Missouri was cited with approbation and followed by the Supreme Court of the United States in *Hale* v. *Henkel*, supra, thus practically adopting the refusal of that Court to follow the views of Judge Dillon in *United States* v. *Babcock.*

An interesting case in the United States district court is the case of Federal Trade Commission against Lorillard Co., reported in Two Hundred and Eighty-third Federal Reports at page 999. I read some excerpts from that decision, commencing on page 1005. The court was discussing the fourth amendment and its application to the rights of the citizen, and it said:

> This command of the Constitution, properly interpreted, is a prohibition against Congress granting powers to the Commission for unlimited searches and seizures of letters and documents. The act makes plain the duty of the Commission to gather, compile, and publish for use in its proceedings what may be voluntarily offered or submitted in response to request or demand. It may also make investigation independently, but the exercise of visitorial power over private corporations must keep within restrictions of the fourth amendment: "Neither branch of the legislative department, still less any merely administrative body, established by the Congress, possesses, or can be invested with, a general power of making inquiry into the private affairs of the citizen."

Quoting from *Interstate Commerce Commission* v. *Brimson* (154 U. S. 478), a case to which I referred in an earlier debate on the same subject.

At page 1006 the district court makes this further statement:

> In the papers submitted on this application, there is no showing of the existence of probable cause. The relief prayed for is in general terms and includes all papers and telegrams received by each respondent from its jobber customers located in different points throughout the United States and copies of all letters and telegrams sent by each respondent to such jobbers during the period from January 1, 1921, to December 31, 1921, inclusive. Such general demands made in other warrants of law, such as a subpena duces tecum, have been condemned as not giving a reasonably accurate description of the papers wanted, either by date, title, substance, or subject to which they relate.

And here the district court quotes *Ex parte Brown* and also another case, Carson against Hawley, a Minnesota case, to which I have not called attention.

The court concludes with this statement:

> To grant the relief prayed for by the petitioner would be to permit an unreasonable search and seizure of papers in violation of the fourth amendment. It was not the intention of Congress to grant such unlimited examination and inspection by the legislation in question; nor, indeed, did Congress have authority to do so under the commerce clause of the Constitution. It would be unreasonable and unjust to accede to the demands of the petitioner, and the application for the peremptory writ of mandamus against the respondents, American Tobacco Co. and P. Lorillard Co., is denied.

Mr. NORRIS. Mr. President, will the Senator yield at that point?

Mr. STEIWER. Yes.

Mr. NORRIS. I have been very much interested in the Senator's discussion. He has just read an extract from the court's opinion saying, in that particular case, that there was no description of the information so that the telegram could be identified. I realize that the telegram ought to be identified just as well as it possibly can be; but this question has arisen in my mind since listening to the Senator:

Suppose a telegram was sent in code and there were, of course, no way to identify what the substance was. If we followed strictly the rule there laid down, would there be any way by which such information could be obtained? It might be, of course, as the Senator well knows, extremely important and vital in some great issue upon which the court was passing. How could the subject matter of the telegram be described, if the telegram were in code or if perhaps it were not known that it was in code when the subpena was issued?

Mr. STEIWER. If it could be established that the telegram related to a matter which was relevant or pertinent, I have no doubt that a subpena duces tecum could compel its production, to be decoded afterward. I have no doubt of that, just as its production might be required to be read afterward. There is no essential difference between reading it in plain English and decoding it, except that it would be much more difficult to decode it.

Mr. NORRIS. But if an official of a telegraph company were ordered to produce certain telegrams, and an effort were

made to describe them, and the official of the company came across some telegrams in code, no matter how honestly he desired to comply with the order, he would not know, if he had to pass on the description of the subject matter, whether or not the telegram in code had any relation to the discussion. It would be impossible for him to know.

Mr. STEIWER. That is true. That illustrates the difficulties of the question. I appreciate the difficulties, I think, just as thoroughly as does the Senator from Nebraska; and yet those difficulties cannot by any stretch of the imagination operate to change the requirements of the fourth amendment, whatever they may be.

Mr. NORRIS. No; I understand that. The fourth amendment, however, ought to be construed in the light of present-day well-known existing scientific facts. If at one's peril, he had to describe the substance of a telegram, if it were sent, for instance, in code—and there might be various other ways in which deception could be brought about—it might be possible for the fourth amendment to stand squarely across the road to justice, and prevent us from obtaining evidence that was absolutely essential, probably where human life, or something of the kind, was at stake.

Mr. STEIWER. That is true at any time, even if there is no coded message. In a criminal case the guarantees of the Constitution often impede the opportunity of the State to conduct a successful prosecution. We do not, therefore, deny to the citizen his constitutional rights, however. Under a law, for instance, which prohibits the wife from testifying against the husband, I have no doubt many a guilty man has escaped; but where that law is applicable, nobody, and certainly not the Senator from Nebraska, would say that the law ought to be disregarded because of the practical difficulty in getting the evidence necessary for conviction.

Mr. NORRIS. No; I should not. The same thing might be truly said, also, of professional communications from a doctor to a patient.

Mr. STEIWER. Oh, yes.

Mr. NORRIS. But the general rule which sustains the rejection of such evidence or statements is that their admission would result in greater harm than good. Acknowledging that their exclusion might do harm in some instances, to protect the public generally it is necessary.

Where the fourth amendment is raised as an objection, ought we not, while not nullifying the amendment, to consider it in the light of the fact that if we are very strict in our construction the fourth amendment may be used as an absolute barrier to the production of evidence which every honest man would concede ought to be produced, and thus be used as a yoke instead of a protection to the innocent? It might become the instrument of great injustice instead of protecting the innocent.

Mr. STEIWER. I thoroughly agree with the Senator; and yet I cannot escape the conclusion that the suggestion he makes it applicable to every constitutional guaranty enjoyed by the citizen; and I take it that the courts—at least just courts—have always given due consideration to the practical difficulties, whichever way they may resolve the question.

In reference to a rather similar matter the Supreme Court has said in express terms that it is giving practical consideration to the difficulties which confront it. That becomes another subject for debate, so far as I am concerned. What I am trying to do at this time is to stress the fact that the courts almost universally—not universally, but almost universally—have sustained the right of the citizen against a search of his telegrams made in order to see if something will turn up that is material. I am reading the opinions of State courts and Federal courts merely to show what the great weight of authority is, so that we may conclude whether or not it is safe and proper to permit our committees to proceed in violation of what appears to be the plain contemplation of the fourth amendment to the Federal Constitution.

In connection with the language which I have just read, I wish to call attention to the fact that the Federal Trade Commission specifically was endeavoring to obtain telegrams sent between certain dates. It was also endeavoring to obtain other material and other information; but one of the things directly involved in that case was the effort of the Federal Trade Commission to obtain telegrams between certain specified dates. That is one of the things which the Court squarely held against, saying that the company could not be required, without showing materiality, to produce indiscriminately the relevant with the irrelevant; and thus, in effect, invade the privacy of the citizen.

I do not wish to intrude too long on the time of the Senate. I know the Senator from Florida [Mr. FLETCHER] wishes to proceed with another legislative matter. I do wish, however, to refer to two more cases.

The first is a case from which I read in an earlier debate on this question—the case of Federal Trade Commission against American Tobacco Co. It appears in Two Hundred and Sixty-fourth United States Reports. The opinion of the Court is unanimous. I wish to read briefly from language commencing at the bottom of page 305:

> Anyone who respects the spirit as well as the letter of the fourth amendment would be loath to believe that Congress intended to authorize one of its subordinate agencies to sweep all our traditions into the fire, and to direct fishing expeditions into private papers on the possibility that they may disclose evidence of crime. We do not discuss the question whether it could do so if it tried, as nothing short of the most explicit language would induce us to attribute to Congress that intent. * * * It is contrary to the first principles of justice to allow a search through all the respondents' records, relevant or irrelevant, in the hope that something will turn up.

Mr. President, this case also concerns the Federal Trade Commission. Is there no significance in the fact that the Supreme Court, in considering the powers of this important agency of our Government, denies to the Commission the right to do the very thing which our committee now seeks to do in acquiring the possession of telegrams?

I am wondering whether it will be contended that the two bodies of the Congress, acting as one of the coordinate branches of the constitutional Government under which we live, lacks the power to require production of certain classes of material before an agency like the Federal Trade Commission, but that one branch of the Congress, namely, the Senate, by agreement to a resolution and the appointment of a committee, can do that which the whole Federal Legislature is powerless to do.

It seems to me that these cases respecting the Federal Trade Commission and its want of power to make indiscriminate searches and to compel the production of the irrelevant along with the relevant, apply with a peculiar force to a committee of this body, and that our committees, if there is a difference, would enjoy a lesser degree of authority than the Federal Trade Commission.

Mr. President, I wish to conclude with one more brief quotation from the Supreme Court of the United States. In the leading case of Boyd against United States, which is reported in One Hundred and Sixteenth United States Reports, there occurs the decision from which I read, at page 35, as follows:

> Though the proceeding in question is divested of many of the aggravating incidents of actual search and seizure, yet, as before said, it contains their substance and essence and effects their substantial purpose.
>
> It may be that it is the obnoxious thing in its mildest and least repulsive form; but illegitimate and unconstitutional practices get their first footing in that way, namely, by silent approaches and slight deviations from legal modes of procedure. This can only be obviated by adhering to the rule that constitutional provisions for the security of the person and property should be liberally construed. A close and literal construction deprives them of half their efficacy, and leads to gradual depreciation of the right, as if it consisted more in sound than in substance. It is the duty of courts to be watchful for the constitutional rights of the citizen, and against any stealthy encroachments thereon.

If that is to be said by the Supreme Court of the judiciary, with what greater force might it be added that the Members of the Senate of the United States, under their oaths to preserve the Constitution of the country, should also remain on their guard, and be watchful ever of the constitutional rights of the citizens of this country.

TAXATION OF BANK SECURITIES OWNED BY THE R. F. C.

The Senate resumed the consideration of the amendment of the House of Representatives to the bill (S. 3978) relating to taxation of shares of preferred stock, capital notes, and debentures of banks while owned by the Reconstruction Finance Corporation and reaffirming their immunity.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Florida that the Senate concur in the amendment of the House.

The motion was agreed to.

WAR DEPARTMENT APPROPRIATIONS

Mr. BLACK rose.

Mr. COPELAND. Mr. President, I suggest that the Senate resume the consideration of the War Department Appropriation bill, in order that there may be something before the Senate for the Senator from Alabama to discuss.

The Senate resumed the consideration of the bill (H. R. 11035) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1937, and for other purposes.

The PRESIDENT pro tempore. The pending question is on agreeing to the motion of the Senator from North Dakota [Mr. FRAZIER] to reconsider the vote by which the amendment of the Committee on Appropriations, on page 76, line 9, was agreed to.

INSPECTION AND ALLEGED SEIZURE OF TELEGRAMS, ETC.

Mr. BLACK. Mr. President, in the opening remarks of the Senator from Oregon [Mr. STEIWER], I understand him to join issue with me upon a statement I made to the effect that the special committee of the Senate had been following the same course with reference to seeking the production of telegrams under subpena which other committees of this body and of the House of Representatives have followed since the beginning of congressional investigations.

It therefore becomes necessary for me to call attention to some of the subpenas which have been issued, and in the course of my remarks I shall have occasion to call attention to subpenas issued by a committee of which the Senator from Oregon is a member, the Committee on Banking and Currency, the service of which, according to his construction stated on the floor today and a few days ago, would have constituted unreasonable search and seizure, and would have meant that the Senator sat in the committee during the hearing considering matters produced under a subpena which violated the constitutional rights of the witness before him.

I shall call attention to the fact that not only have subpenas been issued to the telegraph companies which required that those companies produce all telegrams to and from certain individuals, but that while they were serving as members of a special committee Senators who ranked high in their regard for the Constitution and the right of citizens have actually called for telegrams from towns, asking for the production of every telegram sent or received by or to any individual in the town over a period of years.

I shall begin my remarks by reading from the general statement made by a gentleman who wrote a book on congressional investigations, and who made this brief summary with reference to the powers asserted by the Senate and the House of Representatives in connection with these investigations. I read from Mr. Eberling's book on congressional investigations, as follows:

> Recapitulating, then, with reference to the power of Congress to force papers from witnesses we may say that congressional committees have assumed wide latitude in making such demands on persons, that while in practically every case where unlimited demands were made, they were strenuously opposed in Congress, yet the prevailing opinion in Congress has been that the amendments to the Constitution did not protect parties in such cases anyway, with the possible exception of the fifth amendment; that these proceedings were inquiries, not cases or trials at law, and that even though the rights of individuals were violated, such action was necessary in the interest of public welfare.

I simply call attention to that statement, without approving or disapproving the words mentioned by the writer, in order to direct attention to the fact that this man, who made a very careful scrutiny of all congressional investigations from the very earliest period of the history of this Nation, reached this conclusion.

Mr. President, there is absolutely nothing new in the attacks which have been made against the Senate committee in this regard. These attacks were made against all the committees. Some of the same papers which make the attacks today made them against all the other investigations. They made them against Senator Walsh and Senator WHEELER. They accused both of those gentlemen of running roughshod over the constitutional rights of citizens under all of the amendments of the Constitution, and the Constitution itself.

The same paper which a few days ago referred to a member of our committee as a "mud gunner" also referred, during the Teapot Dome inquiry, to Senator WHEELER and to Senator Walsh as the "twin mud gunners from the State of Montana."

I have photostatic copies of a large number of articles which appeared in these various papers not only with reference to the Teapot Dome inquiry but with reference to all of the inquiries, and the same statement has been made in each one. Almost the exact speech made by the Senator from Oregon was made on the floor of the House of Representatives in 1876 when the minority there objected to a committee getting the truth by summoning all the telegrams which the committee believed would be useful in obtaining the truth, and where the majority voted, each time the question was raised, to make those telegrams available for the use of the committee.

There is nothing new in this protest. It was very loud a week or two ago, but it has been loud in every investigation. There was a time during the investigation of Attorney General Daugherty, and during the investigation of Mr. Fall and others, who were portrayed on the floor of the Senate as being as white and "as pure as the driven snow", when the high tide was reached in the vilification of the present senior Senator from Montana [Mr. WHEELER] particularly, and of the late Senator Walsh, of Montana.

I have before me an editorial appearing in the New York Times, I believe, in which, in substance, it is said that while Senator Walsh had reached an all-time high with reference to partisan politics in connection with the investigation, Senator WHEELER had reached an all-time low for ridiculousness in connection with the investigation; and the editorial called attention to the fact that Senator Walsh had actually asserted on the floor of the Senate that the Senate committee was not bound by the rules of evidence which applied in the courts of justice, where simple, direct issues were presented to be tried by a court.

So, Mr. President, there is absolutely nothing new in the opposition which is now made. There is absolutely nothing new in the effort to handicap committees. Always attempts have been made to whittle down the powers of committees; and it would be a wonderful thing for certain interests in the Nation if at this time they could have it known that at certain places throughout the country a petition might be presented to a judge to enjoin the appearance of witnesses before the Senate committee investigating campaign expenditures. All of us know that it would be impossible to get a final trial of such a case until after next November.

If it is true that a witness may be enjoined from bringing evidence to a Senate committee because it is in writing, a witness may also be enjoined by a district court from appearing before the Senate committee to give evidence in person, on the ground that the court believes the Senate committee does not have authority to make the investigation.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. BLACK. I yield.

Mr. WHEELER. During the Daugherty investigation—the Senator from Alabama was not in the Senate at the time—Mr. Mal Daugherty repeatedly came before the committee and stated that he and those connected with him were only too glad to have us investigate their bank. Finally we went out to Ohio with some subpenas to investigate the bank, and put a man in the bank to go through the records. After he had been there for a short time he found some C. D.'s

which had been made out to unknown persons. We went out there to hold a hearing. The bank people went into a probate court and got out an injunction to prevent us from obtaining the testimony from the bank. Then we cited Mr. Mal Daugherty for contempt, and the matter went to the Supreme Court, and finally the Supreme Court held that we were entitled to go into the matter.

Mr. BLACK. The Senator is correct. There was an effort in that case to prevent the obtaining of evidence.

The statement has been made that in the present case something new has been done. The Western Union Telegraph Co. perhaps knows the custom with reference to subpenas as well as any of the newspapers which have protested against these subpenas. It may be that some newspapers know more about it than does the Western Union Telegraph Co., because they may have a kind of omniscient knowledge of things which occur in the United States. But I have before me a telegram from the attorney for the Western Union Telegraph Co. which was received in response to an inquiry. All of us know, as the Western Union attorney stated in the court proceedings, that it is to the interest of the Western Union to decline to deliver telegrams if it may do so, and we all know that the Western Union does not deliver telegrams unless it is compelled to do so. It fights the production of telegrams, whenever it can, on the ground that the subpena is too broad, or on any other ground. Let us see what the attorney for the Western Union said:

In reply to your inquiry of Saturday, we do not ordinarily preserve subpenas served on the company, in cases where the company is not itself a party, for more than 6 years. From my personal knowledge, I can say that the company has been served with subpenas in the general form—namely, all messages sent by A, from or received by A at a point named during a period specified—for at least 36 years.

Until about 1902 it was the uniform practice of the company, and its rules required, that before complying with such subpenas specific objection should be made to the court or investigating body issuing the subpena that we should not be required to produce the messages, first, because all telegraphic messages were privileged from subpena; and, secondly, because subpenas in this general form were invalid as improper search warrants and fishing excursions; citing *Ex parte Brown* and *Ex parte Gould*. The messages were not produced until the objection was noted on the record, and until a specific statement was made that our representative would be held in contempt if he did not comply.

About the time of the prosecution of Albert T. Patrick for the murder of William M. Rice, about 1902, the company, on the recommendation of the law department, changed the practice of making this record objection—

By the way, I may state that it was always merely a record objection—

and declining compliance until objection was formally overruled. I am referring now to cases in which the telegraph company itself was not the object of investigation, but was merely subpenaed as a witness in a controversy involving others.

In such cases, where the period covered by the subpena necessitated a search involving substantial expense, it has been generally recognized by prosecuting authorities and others that the company should not be expected to make such a search without reimbursement for the expense. This practice has tended to restrict the number of such subpenas and the length of the search required in each case.

The law department has taken the view that the company itself is in no position to raise the question of the relevancy of the testimony (see Justice McKenna's concurring opinion in *Hale* v. *Henkel*, 201 U. S. 43 at p. 81), and that if it is reimbursed for the expense of its search it may not be in a legal position to raise other objections which might be available to its patrons. Wherever a patron has seriously questioned the validity of a subpena, it has been our practice to withhold compliance for a reasonable time in order to permit him to assert his rights by suing for an injunction.

In *Ward* v. *Western Union* (205 A. D. 723), decided in 1923, the customer asserted such objection with success—

As I recall, that is one of the cases to which the Senator refers—

the objection being that the person issuing the subpena did not have the subpena power.

In the case involving Mal Daugherty's messages in 1924, the patron's objection was not only the breadth of the subpena but also that the Senate had no power to inquire into that particular matter, the Supreme Court not having definitely decided at that time that Congress could issue subpenas in aid of future legislation. *McGrain* v. *Daugherty* (273 U. S. 135) came later. The Fall subpena, to which you refer, called for the Washington copies of all messages sent by Fall and seven other persons named to any person or received by them from any person during a period of 3 months. It was dated February 28, 1924, and signed by Senator Lenroot, chairman, Committee on Public Lands and Surveys. This subpena was complied with. It was immediately followed by the Mal Daugherty subpena, which was contested as above stated—

And to which the Senator from Montana has referred—

Will this information be sufficient for your purposes?

That telegram is from the general solicitor of the Western Union Telegraph Co.

Let me now read a few subpenas.

Mr. WHEELER. Mr. President, will the Senator again yield?

Mr. BLACK. I yield.

Mr. WHEELER. I call the Senator's attention to the fact that in the Daugherty case, while the petitioners were going to the Supreme Court and tying up the Senate committee hearings, they actually burned the records in the case. In other words, by tying up the case by injunction until they got the Supreme Court decision, they were able to, and did, burn up all the records in the bank, so that the Senate committee never was able to get the information it sought.

Mr. BLACK. Of course, the country knows that the object is to combine burning with injunction, and prevent the Senate and the House from obtaining evidence in cases relating to matters in which they are interested.

Let me read a subpena issued by the Caraway committee. I will take up a few subpenas and read them. This subpena was issued in 1930:

TO THE POSTAL TELEGRAPH CO. AND TO THE WESTERN UNION TELEGRAPH CO.:

Pursuant to lawful authority, you are hereby commanded to appear before the subcommittee of the Committee on the Judiciary investigating lobbying * * * on Friday, March 7, 1930, at 10 o'clock, at their committee room, 212 Senate Office Building, Washington, D. C., then and there to testify what you may know relative to the subject matters under consideration by said committee, and bring with you all telegraphic communications in your possession or under your control sent by or received by J. W. Worthington, W. G. Waldo, and the Tennessee River Improvement Association.

That subpena was complied with; but if it had not been complied with all the evidence would not have been obtained, because all the files of the Tennessee Valley Association disappeared. They always disappear in these cases. A strange thing about the history of these investigations is that a minority—and it is a minority—always raise the question that someone's constitutional rights are being invaded; and about that time word goes out that the evidence is gone, anyway.

Last week the Senator from Oregon referred to the fact that the telegrams that were sent by Mr. Bainbridge Colby had been summoned, and that, of course, was terrible, and that somebody might think they had been summoned because he was against the present administration. And yesterday a witness appeared before the committee named Mr. J. A. Arnold. Mr. J. A. Arnold is known to many members of the committee and of the Senate, at least historically speaking, for they will recall the reports made by the Senate Lobby Committee, of which the late Senator Caraway, of Arkansas, was chairman, and in which a very full exposition was made with reference to the activities of Mr. Arnold and the Southern Tariff Association. Mr. Arnold is now an officer of the American Taxpayers' League—I believe that is its title. The same contributors still remember him. He still, he says, goes into the office of Mr. Mellon and obtains his contribution; he still obtains $1,500 contributions from a gentleman in New York whom he knows nothing about but who simply sends him a check for $1,500 in an envelope without any word, without any letter, without any personal contact. He is still engaged in the same type of business in which he was previously engaged. I believe the Senator from Vermont [Mr. GIBSON] yesterday, if I am not mistaken, referred to it as "playing the same old game." The evidence disclosed that one of those most actively cooperating with Mr. Arnold in this regard was Mr. Bainbridge Colby, and the evidence further disclosed that every telegram Mr. Arnold had received from Mr. Bainbridge Colby had been destroyed and not a single one was left in his office.

The evidence further showed that Mr. Arnold was subpenaed day before yesterday, I believe it was, or the day

before that, to come before our committee, and that night before last, about 6 or 7 o'clock, he got in communication with Mr. Colby over the long-distance telephone with reference to appearing before the committee. The object of Mr. Arnold's organization is to influence legislation. It was admitted that one of the chief objects appeared to be to change the taxing system so that we might have a sales tax bearing down on the backs of the people of this Nation and to relieve others from income and inheritance taxes. That can easily be understood when we note the contributors to this organization. Here [exhibiting] is the subpena issued by the Caraway committee.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BLACK. I yield to the Senator from Missouri.

Mr. CLARK. Is there any difference on earth in that practice and the practice that was invoked, or attempted to be invoked, in another instance here just a year or two ago, in which the Senator from Alabama himself was the principal actor when certain witnesses were brought before the Senate for contempt and were punished, a procedure which was later sustained by the Supreme Court of the United States? While that question was absolutely under the consideration of the Senate at that very moment the interval was being utilized for the purpose of destroying the evidence upon which the procedure was based, and except for some very remarkable reconstruction work by a couple of post office inspectors and a couple of examiners from the committee the very purpose of the action itself would have been defeated by the delay.

Mr. BLACK. Of course, and the subpena in that case called for all the files. The statement was made that some of them were personal, and they declined to bring them here. During the time the subpena was out calling for all the files of that law firm, they were destroyed, and the statement was made that they related to personal matters. However, upon being restored to their original form, by putting together the scraps, it developed that they related to air mail and legislation concerning it.

Mr. CLARK. And in that case, as in this, were not the courts resorted to for the purpose of defeating the process of the United States Senate for a sufficiently long extent of time to give them opportunity to destroy the evidence?

Mr. BLACK. The courts were resorted to and the evidence in part was destroyed. Bear in mind, as has been suggested, that the subpena in that case called for all their telegrams, all their letters, all their files, and the Senate, by an overwhelming vote, followed the course the Senate always has followed, if I am not mistaken—I may be wrong; I have never looked up the record—and if I am not mistaken, by the concurrence of the Senator from Oregon, held there was a violation of the subpena and sentenced the man for contempt.

Mr. CLARK. And the court upheld the action of the Senate.

Mr. BLACK. And the court upheld it.

Now let us see about the Committee on Banking and Currency. It so happened that the Banking and Currency Committee was not called on to summon the telegrams and books of J. P. Morgan and the large business firms they were investigating; they were available, if they could obtain them; but the Senator from Oregon read a case in which it was stated that it would be "terrible", as I recall, to ask for all the messages, all the books and all the papers, and all the accounts of any firm or individual. Here is one of the many subpenas issued by the very committee of which he is a member and which he stated on the floor of the Senate a few days ago had issued no general subpenas. I have numerous subpenas issued by that committee. Listen to this subpena issued to an individual by the name of Robert O. Lord. There is a whole page designating the very things they want, and then—

Also all books, records, agreements, correspondence, and documents of the Guardian Detroit Union Group, Inc., or any of its units, in your possession.

There is no distinction there between the letters which did not refer to the facts in which they were interested and those which did. They did not scrupulously say, "We want you to pick out the telegrams that you think would be admissible, in order that we, the Senate committee, may have them", but they asked them to bring all of the group.

Here is another to Mr. Landon K. Thorne, president of Bonbright & Co., Inc., a very large company:

And you, the said Landon K. Thorne, bring with you any and all stock records showing daily position in United Corporation rights and common, preferred stock for period from January 2, 1929, to December 31, 1931; ledger accounts of J. P. Morgan & Co.; and all joint accounts in which J. P. Morgan & Co., Guaranty Co., and Asiel & Co. were partners; and any and all written contracts, and/or agreements entered into between any of the following from January 2, 1929, to December 31, 1931—Asiel & Co., J. P. Morgan & Co., and Guaranty Co., pertaining to transactions in the securities of United Corporation—

And, that not being broad enough, the subpena further called for—

and all ledgers, correspondence, relative to said United Corporation and affiliate dealings.

For a period of years. The subpena was not limited to the papers relating to the transactions, they specifically set out, but after they had put them in specifically, in order to get them all, they threw their blanket out and said, "Bring all of them in." I do not say that in any spirit of criticism. I say it with a realization of the fact that they were compelled to issue that kind of a subpena if they were to get the things that were essential to the investigation.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BLACK. I yield.

Mr. CLARK. Undoubtedly, Mr. President, I think the Senator will agree that the reason for the broadness of that subpena, and the reason for the broadness of so many other subpenas issued by Senate investigating committees, is the recognition on the part of the man who drew the subpena, and of the committee which issued it, that a Senate committee, as the representative of the sovereign—which in this country is the people of the United States—is not to be held to the same rule of particularity in specifying documents to be brought in by process to which private litigants must necessarily be held.

Mr. BLACK. The Senator is correct. That has been held since the very beginning of the history of this country. I might state, however, that I intend to read into the RECORD a little later an opinion of the Supreme Court of the United States giving a grand jury the right to issue a subpena in all respects as broad as this.

Now, here is another one issued by the Banking and Currency Committee, of which the Senator from Oregon is a member, and he said on the floor that he took part in the investigation, and the committee were very careful to see that all the subpenas were very limited and specific in their nature.

To Mr. Oscar L. Cox—

Here is the subpena—

* * * then and there to testify, * * * and have you there and then and ready to produce before the committee all books, records, documents, agreements, and correspondence of the Union Trust Co.

I do not know certainly, but I imagine that was a very big order.

The subpena did not specify a period of years; it was not limited, as ours was limited to a period of time when the Members of the Senate and the House were being flooded with faked and forged telegrams, the evidence of which was carefully burned and destroyed all over this Nation. The subpena of the Banking and Currency Committee did not limit the time. They simply said to bring all correspondence, telegraphic and otherwise, and it was brought; the subpena was obeyed. Senators may be sure if the attorneys for Mr. Morgan and the groups which were investigated by the Banking and Currency Committee had believed it possible to avoid obeying the subpenas, they had money enough to hire lawyers adequate to do the job.

Here is another subpena to Harley L. Clarke, of Chicago, Ill.:

You, the said Harley L. Clarke, bring with you, etc., all journals, ledgers, cashbooks, checkbooks, and other books of account in which your personal financial transactions during the period January 1, 1925, to July 31, 1933, were recorded.

This subpena was issued by the committee of which the Senator from Oregon [Mr. STEIWER] said he was a member in an investigation in which he said he participated, and calls for all the books, letters, correspondence, memoranda, and all the checkbooks, ledgers, cashbooks, and journals of and concerning the personal financial transactions of this man for a period of 8 years. Is it to be supposed that during a period of 8 years a man would never have any personal financial transactions in which his wife might have drawn a check or some of the sweethearts, about whom great anxiety has been expressed, might have been involved?

But the Senator from Oregon at that time was not worrying about the personal transactions of Mr. Harley L. Clarke, because the Senator, by his statement on this floor, approved the subpenas issued by that committee of which he was a member, and that committee told Mr. Harley L. Clarke to dig back for 8 years and bring to a Senate committee every memorandum that he had relating not only to his public financial transactions but his personal financial transactions.

That was not all. They were not satisfied with that. They thought perhaps he had had some correspondence either by telegram or otherwise, so they called upon him to bring—

All correspondence by and between the aforesaid parties and the Chase Securities Corporation; Chase National Bank; Pynchon & Co.; General Theaters Equipment, Inc.; International Projector Corporation; National Theaters Supply Co.; William Fox; Fox Film Corporation; Fox Theaters Corporation; Sherman Corporation; Albert H. Wiggin; and Murray W. Dodge—

with whom he had supposedly had telegraphic or written correspondence during that period. They did not limit it. They did not say, "We want that which you think is admissible." They did not suggest that they desired that he pick out all the private correspondence between him and the parties named. Of course they did not. The Senator from Florida [Mr. FLETCHER], who was chairman of that committee, and Mr. Pecora, who was aiding in the investigation, both knew that if the investigation was to bring out the facts they would have to ask for the facts. I shall read a little later from a statement by the distinguished former Senator from Missouri, Mr. Reed, that such investigating committees know that they ought not to go to the parties being investigated, hats in hand, and say, "Please give us what you think we ought to have."

Let us see some other subpenas. My statement has been challenged. Here is one issued by the Munitions Committee. I have a dozen of them here. Listen to this one, addressed to James E. Barnes:

You, the said James E. Barnes, bring with you all records, data, correspondence, memoranda, etc., relating to the activities of shipbuilders during the period 1916–35, inclusive.

Of course, some of that correspondence did not relate to anything the committee wanted to investigate, but they knew that if they obtained the truth, it was necessary to follow the custom which has been observed from the beginning of the history of this country, and they did so.

I have quite a number of similar subpenas here on my desk calling for correspondence, for instance, from 1915 to 1934, another one for correspondence from 1930 to 1934, and others calling for the same types of records.

Let us see what kind of subpena was issued in connection with the investigation in the Teapot Dome controversy. The statement has been made and heralded abroad that no committee of which former Senator Walsh, of Montana, was connected would go beyond its legal rights, for he was a man, I may say parenthetically, whose name is synonymous with reverence for and loyalty to the Constitution, a man who acted within the law, but who recognized how far he could go within the law and the Constitution in order to expose crookedness and corruption. Let me read this subpena signed by the chairman of the committee of which former Senator Walsh, of Montana, was one of the most active members:

R. S. Burns, Western Union telegraph operator, Three Rivers, N. Mex.

You are hereby commanded to appear * * * and bring with you any and all incoming or outgoing telegrams from the office of the Western Union Telegraph Co. at Three Rivers, N. Mex., in your possession or under your control, from July 1 to December 31, 1921, July 1 to December 31, 1922, and January 1 to December 31, 1923, inclusive.

What did that subpena call for? It called for every telegram sent by every person and received by every person at Three Rivers, N. Mex., for a period of 3 years.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BLACK. Certainly.

Mr. CLARK. As I heard the Senator read the subpena, it would undoubtedly be broad enough to call for telegrams of a purely personal nature which might have passed between the late Secretary of the Interior, Mr. Fall, and his wife or other members of the family.

Mr. BLACK. Of course it did.

Mr. CLARK. Therefore the committee, headed by as great a lawyer as the late Senator Walsh, of Montana, deliberately recognized that in the case of an investigation by a committee representing the sovereign people, the committee were entitled not only to be able to secure pertinent information, but to be able to secure some information which might not be particularly relevant to the investigation. That is the charge made against the committee headed by the Senator from Alabama.

Mr. BLACK. The Senator is absolutely correct. There was nothing strange about that, because other subpenas were issued commanding the production from other places of all telegrams to and from former Secretary Fall and to and from the wife of former Secretary Fall, which necessarily included all the telegrams between themselves in any capacity, private or otherwise. I have the subpena before me. It is dated the 6th day of March 1924. The other one was 1928, but there was ample precedent under which the former Senator from Montana and the other Senators could act. Away back in 1876 telegrams had been summoned to and from certain towns in the State of Oregon with reference to an election in that State, and all the way down the line since that time that custom has been observed.

Let us see what they did in connection with the Teapot Dome telegrams. I had passed that over, but I shall return presently to the other branch of this controversy in which, as I recall, the distinguished Senator who sits at my right [Mr. ASHURST], who is chairman of the Judiciary Committee, took part, and of which committee former Senator Brookhart, of Iowa, was chairman. Let me read the subpena since I have referred to it, issued back in 1924. It is addressed to the manager of the Western Union Telegraph Co. at Washington, D. C., and he was directed—

To bring with you all messages to or from Mrs. Albert B. Fall, Mrs. J. W. Zevely at Palm Beach, Fla., or New Orleans, La., from December 1923 to March 6, 1924.

Is there anything offensive about that subpena? Did they permit the parties in the Teapot Dome investigation to do that which they would like to do? Did they say to them, "Bring before us those telegrams which you think are admissible?" What would they have obtained? What about those telegrams which referred to "peaches" when they did not mean "peaches"? What about the other telegrams which were referred to by the Senator from Arizona in his magnificent address in connection with the Fall investigation, where Fall sent out telegram after telegram which on its face was perfectly harmless, but when read in connection with other evidence was shown to contain information which was vital in the effort in order to uncover the crookedness of that crowd?

There are two subpenas. I could produce others in 1928, of a general nature, calling for all the telegrams in the town, whether they were from wives, sweethearts, or anyone else; but it was necessary to couch them in such terms in order to uncover the situation when it was known that these men always concealed their tracks, and, if necessary, would use assumed names. It was necessary and essential, in order to obtain the truth, to issue subpenas which called for the information.

Has anyone ever heard that in response to any of those subpenas any private telegrams were revealed? Certainly not. Has anyone ever heard that in 1876, when all the telegrams were subpenaed from certain cities in Louisiana, and

some of them down in my own State of Alabama, and some of them from the State of Oregon, private telegrams were revealed? No one has. They were obtained, but the committee was not interested in the purely private messages. The committee was interested, as is the committee now serving this body, in the messages which related to the business which the committee was charged with performing.

Let us see about some of the other subpenas.

Here is one issued by the Judiciary Committee of the House on the 3d day of September 1932. Certainly the Judiciary Committee of the House has members who are lawyers, who are an honor to the profession of the law. It has as its chairman Representative HATTON W. SUMNERS, of Texas, a man whose ability and whose loyalty to the best traditions of the Nation are well recognized by all who have come in contact with him. Here is a subpena issued by the Judiciary Committee of the House to Guy H. Gilbert, 1600 California Street, San Francisco, Calif.

Let me read simply the closing part of the subpena. I have it before me for those who desire to read it all. It calls for information during the years 1929, 1930, 1931, and 1932, and says:

> Also produce his personal bank accounts during the same period, and canceled checks, check stubs, savings passbooks, and all documents in his possession which further support disbursements from his personal accounts.

Why was that subpena issued? It was issued because it was realized that in order to obtain the truth it was necessary to call for the personal accounts of these individuals. They could always call the accounts personal, whether or not they were actually personal. The only way to obtain the truth was to issue subpenas exactly as the House committee did in that instance, exactly as committees of the House and the Senate have done since the very beginning of their history, with a realization of the fact that there are some persons who conceal their tracks in such manner that it is necessary that the subpena be broad and require the bringing in of all letters, papers, and correspondence which might by any possibility be relevant to the issue. The committees do not expose personal information. It has never been done during the entire history of the Government, although House and Senate committees have exercised that authority since the beginning of our history.

Let me read another subpena issued in 1932 by the House Committee on the Judiciary:

> Have with him and there produce bank statements, canceled checks, savings-bank passbooks, and such other evidenciary matter that he may have covering his personal bank accounts and deposits and disbursements therefrom during the years 1930, 1931, and the year 1932 to date.

I have numerous other subpenas along the same lines, but these are sufficient to show the kind of subpenas issued by the committees.

Now, let me read you some more Teapot Dome subpenas.

The subpena I have in my hand, I note, is signed by one who perhaps the Senator from Oregon would not claim would be anxiously on the alert to violate any principle of the Constitution relating to either human or property rights. It is signed by Hon. Reed Smoot, chairman of the Committee on Public Lands and Surveys. This subpena, I may state, was issued to a newspaper reporter who evidently had certain information that the committee wanted. It had been obtained, it was said, in a very confidential manner, and the claim was made that it should not be produced in the Senate.

Here is the subpena:

> And testify what you may know relative to the subject matter under consideration by said committee; and bring with you all papers in your possession, or under your control, or obtainable by you, touching the leasing of Naval Reserve No. 3, or any matters relative to the same, or any inducement thereto.

In other words, this was a reporter who claimed that the information had been obtained in a confidential manner.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. BLACK. I yield to the Senator from Washington.

Mr. SCHWELLENBACH. I should like to state to the Senator that this information was obtained by a reporter acting under the direction of his publisher for and on behalf of his newspaper making an investigation for the newspaper.

Mr. BLACK. I thank the Senator.

Now let me read some more subpenas in the Teapot Dome matter. I will read just the part of the subpena which tells the person what to bring. Listen to this one:

> WESTERN UNION TELEGRAPH CO.:
> * * * bring with you copies of all telegrams sent by any person from the city of Washington to either Albert B. Fall, or Edward B. McLean—

Who, by the way, was connected with a newspaper, the Washington Post—

> or J. W. Zevely, at Palm Beach, Fla., between December 20, 1923, and January 30, 1924; and copies of all telegrams sent by any person to Edward L. Doheny, or J. W. Zevely, or Albert B. Fall, at New Orleans, La., between December 20, 1923, and January 30, 1924, and copies of all telegrams sent by Albert B. Fall, or Edward B. McLean, or Edward L. Doheny, or J. W. Zevely to any person, from December 20, 1923, to January 30, 1924.

Is there anything specific about that subpena? It even related to a newspaper publisher; and now a complaint has been filed in the courts which asserts that newspaper publishers—I am almost quoting the exact words—are not subject to any investigation by Senate or House.

When the committee investigated this newspaper publisher, they obtained these telegrams:

> JANUARY 5, 1924.
>
> EDWARD B. MCLEAN,
> *Palm Beach, Fla.:*
>
> Congratulations upon decision, which is result of Lambert's skillful work. Case could not have been handled better. Regards.
>
> ED BENNETT.

---

> JANUARY 9, 1924.
>
> EDWARD B. MCLEAN:
>
> Committee authorized Walsh to go for deposition and to make arrangements with me. Am awaiting conference with him now.
>
> WILTON LAMBERT.

The committee could not have obtained those telegrams under the rules by which it is now sought to hamstring and curtail the rights of Senate committees. Of course, there are many who would like to prevent committees exposing corruption and crookedness. There always have been such persons. In every investigation that has ever occurred, the same old line of thought has come up; and those who have no regard for the Constitution or the law, moral or otherwise, have been the first to try to drape themselves in the Constitution and the American flag.

I have here, and shall read a little later, some of the other telegrams which came in response to those subpenas. They are very interesting. I think I shall put two or three of them in the RECORD at the present time.

Mr. President, I shall now read some of the telegrams which came in response to this subpena. Here is one dated January 9:

> Jaguar baptistical stowage beadle 1235 Huff Pulsator commensal fifful Lambert conation fecund-hybridize

Can one imagine a committee being able to designate that telegram so that it could be obtained? Here is another one:

> Just talked with Apricots and believe he has the thing well in hand. He advises not to talk about peaches or Apples with anyone. He says Apples and Cherries assured him you need not worry. The peaches will be just what you want.

Under the rule which it is suggested a committee should follow in order to obtain telegraphic messages, of course, it is known that when a man wanted to conceal his course by telegram all it would be necessary for him to do would be to name somebody "Apricots" and somebody else "Peaches" and somebody else "Apples", and he would successfully conceal his activities from any Senate or House committee. There would be absolutely no way to obtain the message.

A telegraph company cannot look at messages and determine what are admissible in a certain case, and they recognize that fact. It may be that a message which seems to be wholly and completely removed from the question in controversy has the closest connection with it and is absolutely essential in order to establish the point which the committee desires to establish.

On having these messages decoded, it was discovered that every one of them related to something which the committee was investigating.

I have before me another subpena, issued in the Teapot Dome case, issued on the 25th of February 1924, signed by Senator Ladd, and reading:

Bring with you copies of all telegrams in your possession or under your control sent by William O. Duckstein or W. F. Wiley to any person, or received by William O. Duckstein or W. F. Wiley from any person, from December 1, 1923, to February 25, 1934.

Here is another one:

And bring with you copies of all telegrams in your possession or under your control sent by any person to either Albert B. Fall, Edward B. McLean, J. W. Zevely, Edward L. Doheny, Harry F. Sinclair, William O. Duckstein, W. F. Wiley, or John Major between December 1, 1923, and February 28, 1924, or sent by any of these persons to any person between December 1, 1923, and February 28, 1924.

Here is another one:

Bring with you all messages in your possession or under your control to or from Albert B. Fall, R. W. Stewart, Harry F. Sinclair, J. W. Zevely, Edward B. McLean, Edward L. Doheny, or H. M. Blackmer from January 1, 1921, to March 1, 1924.

I have numerous other subpenas of exactly the same type. So that, so far as that committee was concerned, there is no sort of doubt that it was their uniform custom, and I might add a custom which was in keeping with the settled traditions of the House and the Senate, to issue subpenas of that type in order to obtain the information they desired.

Let me read two or three lines to show what was said about Senators who were endeavoring to obtain the truth at that time. I shall not quote from the speeches on the floor of the Senate, but many will recall that Senators were very seriously attacked from the floor. Let me read a portion of an editorial appearing in the New York Times on April 29, 1924, the title of which is "Searching for Political Oil." The editorial stated:

Senator Walsh seems obsessed by the belief that the oil scandal dates back to the Republican national convention of 1920.

At another place the editorial reads:

In his speech in the Senate the other day, replying to critics of the investigation, Senator Walsh admitted that a great deal of uncorroborated hearsay and incredible testimony had been presented to the Senate committee. But he protested that only by such methods could the residuum of truth be got at. There could not be a strict adherence to the rules of evidence. Shady characters must be allowed to say what they had heard or invented. There is force in this contention, and congressional investigators must be allowed a great deal of latitude. But the limit is certainly reached when such a second-hand story is admitted as the one of yesterday, telling about Senator Penrose telephoning General Wood—

And so forth.

There may have been political corruption, actual or attempted, in the Republican campaign of 1920. Some of the men mentioned were capable of it. But neither they nor any politicians that ever lived were capable of such melodramatic proceedings as those which were retailed to the Senate committee yesterday.

Let us see what the New York Herald Tribune said about the matter at that time.

Seriousness is of the essence of good clowning, and Senator WHEELER, by taking his absurd and incredible witnesses seriously, has added the immortal touch to the scene. The Daugherty investigation is the official name of the business. But the evidence, such as it is, has never got within miles of its destination. A district attorney would not give it office room. What one witness of no credibility heard another witness of no credibility say has brought Senator WHEELER up standing with a triumphant "Aha!"—amid the laughter of the public.

If Senator Walsh succeeded in proving for all time how unfair a Senator of the United States could be, Senator WHEELER has at least surpassed him in demonstrating how ridiculous a Senator of the United States can be.

So that it will be seen that there is nothing new or unusual in attacking a committee.

Mr. SCHWELLENBACH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Washington?

Mr. BLACK. I yield.

Mr. SCHWELLENBACH. While the Senator is on the subject of the Teapot Dome investigation, I call the attention of the Senate to the attack which has been made in the newspapers and over the radio and even upon the floor of the Senate against the present committee for the alleged use of the Federal Communications Commission. The answer of the Commission yesterday to the resolution offered by the Senator from Idaho [Mr. BORAH] completely refuted any of the arguments which have been made. But I think in considering this particular question it might be well to call to the attention of the Senate the fact that in the Teapot Dome investigation under Senator Walsh of Montana, the Federal Trade Commission was used in the examination of a large number of corporations doing business in Washington, D. C., and New York City. Lewis F. Bond, of the Federal Trade Commission, made the investigation at the request and for the benefit of the committee. Further, William Frederick Friedman, the Chief of the Code Section of the Signal Office of the War Department, was used by the committee for the purpose of decoding the messages which the Senator from Alabama has just read. So, despite the fact that our committee have not made any use of the Communications Commission, there is this very definite precedent upon the part of the Teapot Dome Committee in its investigation of the use of other branches of the Government.

Mr. BLACK. I thank the Senator for his suggestion. Now let me read one of the many subpenas issued by the special committee appointed under Senate Resolution 195, of which the distinguished former Senator from Missouri, James A. Reed, was chairman. I read from a part of the subpena:

You are further commanded to bring with you and produce before said committee all books of account and all bank checks, bank drafts, or other instruments showing the receipt or distribution of moneys which may be under or subject to your control.

That was a very general subpena. It continued:

And all memoranda in writing, including all letters by you received and copies of all letters by you sent.

Evidently the committee, not believing that to be sufficient, added as an additional clause:

And all and every instrument in writing which is calculated to or may throw light upon any of the above-named matters concerning which you are as above stated required to testify.

Let me read what the Senator from Missouri said about that time in connection with how to conduct an investigation:

Mr. REED (Democrat) of Missouri. The regrettable thing is that there has been a consistent and determined effort to prevent the taking and preserving of evidence. It is absolutely useless to deny the fact that almost every device conceivable has been employed to prevent the taking and preserving of this evidence. When a man seeks a seat in this body through his attorneys, through his representatives undertaking to prevent such an investigation and such a preservation of evidence, he places himself in a very unenviable position. He, in fact, challenges the honesty and integrity of the body of Senators who will gather the evidence, or he confesses his fear of an honest investigation. I have had some experience in the courts, and it is very seldom that I have ever seen an honest man with a good case refuse to have evidence taken and refuse to allow the full light to be turned in upon the situation. * * * The fact that Mr. Newberry sends his attorneys here to prevent the taking of testimony is very significant. It is utterly useless to hide behind the old dodge that every lawyer has worked, saying, "Put your finger on the paper you want, and we will perhaps produce that paper. Tell us the particular set of books you want investigated, and we will perhaps produce the books." Every man who has tried lawsuits knows that in cases like this, that in all cases where fraud is charged, or where there are any ramifications of corruption charged, you have to start perhaps with a small fact, and tracing that fact through its various connections to develop other facts, and finally you are able to expose the whole warp and woof of an enormous fraud and a widespread conspiracy.

It is the only way cases of this kind can be developed. If all the evidence was known in advance nobody would need an investigation.

Said the Senator from Missouri:

The thing that would be done, if this investigation was allowed to proceed, is this: The members of the committee who conducted the campaign of Mr. Newberry * * * would be put under oath. They would be put on the witness stand; they would be inquired of as to their organization and the membership of it; they would be asked to produce their books of account; they would be asked in what bank they kept their money; they would be asked who were their agents in various counties and various

precincts. Having produced that sort of a brief and acquired that sort of knowledge, the investigation would proceed to the banks, to the check books, to the agents, to the correspondence, to all the letters and everything that had passed between them; and when you got through you would know something about it.

Now, for an attorney to stand around on his hind legs and say, "Tell us in advance what we have been doing", when everything has been done in secret, is simply for that attorney to certify to the people and to the country and to everybody else who knows the facts that he wants concealment.

I have just read to the Senate the words spoken by James A. Reed, who was a Senator from Missouri at the time he made that statement, and who at that time was interested in bringing about the truth in investigations with which he was connected.

I have a large number of other subpenas issued by former Senator Reed, but they contain the same general clause which I read with reference to the books and papers.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. BLACK. I yield.

Mr. SCHWELLENBACH. I should like to inquire if that is the same Senator James A. Reed, of Missouri, who, a few days ago, in New York City, gave out an interview condemning this committee, and said:

That seizure is the high point among the infamies of the New Deal. It is so contemptible a thing as naturally to suggest its author. It is so un-American a thing as naturally to carry us back to the days of the Inquisition.

Is the man who made that statement the same man who made the statement from which the Senator has just been reading?

Mr. BLACK. It is my understanding that former Senator James A. Reed is the one who made the statement quoted from the newspaper; and he is the one who made the speech on the Senate floor from which I read, and who issued the subpenas I have just read.

I have before me a complete history of the subpenas issued by this body. I shall not, of course, refer to all of them. It would take entirely too long a time to do so. I have this statement here, however, for the perusal of any Senators who are interested in it. If Senators will read it, they will see there is nothing whatever extraordinary in the type of subpenas which have been issued by the special Senate committee; and there is nothing new in the argument which has been made against the issuance of the subpena.

I am going to read the argument which was made in reference to a similar subpena in 1876, at the time when the subpena was ordered to be obeyed, and was obeyed. Listen to this argument. It sounds very much like some which have been made recently on the floor of the Senate and over the radio:

And in behalf of that profession, and in behalf of the whole community, I proclaim this seizure of telegrams—

Senators will recall that this argument was made in 1876—

this wholesale seizure without any specification whatever, is an outrage upon private life and liberty, the like of which has never been known in any county whatever in a time of peace, and which would never be submitted to under any despotism in Europe without outcry and rebellion, almost, if attempted in the form in which it is attempted here; and the only wonder to me in this case is—

This was in 1876—

that in the freedom with which the telegraph has been used by all parties, more or less, relating to the most intimate commercial and business affairs as well as to affairs of social life, involving property, honor, character, and the most sacred domestic relations, they have not been able to disclose more facts than have been exhibited here.

I could read the Senate numbers of other statements. They called attention to the fact that in this so-called wholesale seizure of telegrams in 1876 they might have read a telegram from a man to his wife, or from the wife to the man. I do not know of any and I really have not heard of any wives who have protested that their telegrams have been exposed. As a matter of fact, they did not protest at that time, in 1876.

Let me read to the Senate what was said in reply to these suggestions. When the argument was completed, it was decided that the telegrams should be brought in. A citation was issued for contempt, and the telegrams were secured. This occurred in 1876:

Your committee has been attacked because of what has been claimed to be a wholesale seizure of telegrams. Sir, no wholesale seizure of telegrams has been made. We have done this, which is, in my judgment, exactly according to the law of the land, exactly within the power of this House—

I may state that this is a distinguished Republican from whom I am reading—

exactly within the power of any court of justice; we sent our subpena duces tecum to the telegraph offices, asked them to bring their dispatches, and asked the managers of the offices, either at our rooms or at home, to select certain telegrams of parties named or unnamed, as well as we could designate them.

The reason why we had to go pretty broadly in our selection was that corrupt rascals engaged in this nefarious business used all manner of feigned names: "Hooker", "Bismarck, Jr.", "Prescott", "Potter", etc. "Hooker" means sometimes "Woolley"; "Bismarck, Jr." sometimes means "Woolley"; "Prescott" means "Sam Ward"; and "O" means "Sam Ward"; "Potter" means "McCulloch." And there were a dozen other aliases, ciphers, which we had to investigate.

And allow me to say—

Said this Republican Representative at that time—

it was not necessary so to do—but if it had been necessary, in my judgment, it was the duty of the House of Representatives—to take in every telegram in every office in the country and examine it for the purposes of justice, and of that no honest man would complain. There is a couplet of my namesake, Anthony of Hudibras, I believe, applicable here:

"No rogue e'er felt the halter draw
With good opinion of the law."

And that principle applies today as well as it did in 1876. Of course, those who have been engaged in practices of which they are ashamed, and which they do not wish to reveal to the public, do not have a good opinion of those who would expose their nefarious practices. They never have, and they never will.

I read a little further—and this was in 1876—

Therefore, when we struck these telegrams there was a great fluttering—

There is a great fluttering at the present time. I may say there was a great fluttering on the part of one individual who, a number of years ago, took private telegrams and turned them over to President Theodore Roosevelt in order to expose lobbyists, he said, and then later took the credit throughout the Nation of having delivered to President Theodore Roosevelt the telegrams in which the lobbying was exposed. I shall have those papers here at a later date for the use of those who desire to see them.

Therefore when we struck these telegrams there was a great fluttering. Among whom? Among the gold gamblers—

They were the ones they were after then—

among the whisky gamblers; among the corrupt confederates who admit that they met and consulted how Senators' votes could be bought—

Remember, this was in 1876—

No honest, true man complains or fears the investigation.

I call attention to the fact that I have before me the very lengthy debate at that time on both sides of the controversy. It was with reference to telegraphic subpenas which called for telegrams passing to and from individuals, and telegrams to and from certain towns in this country. The result was that the House held they had the right to obtain the telegrams; and they obtained the telegrams, as they have done every time the controversy has ever come up.

Let me read to the Senate a statement which appeared in an argument in the case of Kilbourn on April 15, 1876. This is what said said:

The power to examine witnesses before committees is so transcendently important that it goes far beyond the power of the courts—

And I may state that the argument made by this gentleman in the House was adopted as a part of a resolution

which was adopted by the House; not the exact language, but the substance of it—

In the courts a witness cannot be compelled to give evidence that may criminate himself, and he is made the judge to decide if it will. But before a committee of Congress he has no such exemption.

Since that statement was made, the House and the Senate have passed a bill which was approved by the President, which recognizes that a man who is compelled to testify before a Senate committee or a House committee will not be prosecuted for that offense; but that privilege was recognized by congressional enactment. Up to that time it had not been recognized in the general proceedings.

Further he said:

Before a committee of Congress even counsel can be compelled to disclose confidential communications of clients.

Here the maxim applies: Salus populi suprema lex.

But it may be said this power of the House is liable to abuse, and there should be some protection for the rights of a citizen. The power is liable to abuse. So is all power. If the courts were all infallible—

And it may be that some think they are, I say parenthetically—

If the courts were all infallible, and if Congress could afford the delay of appealing to them, the objection would have great weight. But if such a power existed in the courts, it would also be liable to abuse. The courts could then abuse their powers to the great detriment of the public interests. In time of war and other great emergencies and in the closing hours of a Congress such a power in the courts will be liable to great danger of abuse. It is much more likely that injury would result to all the people from tolerating judicial supervision over the exercise of legislative powers than that individuals would suffer from any wrong imprisonment by the House. No great hardship can result, because the witness will always have it in his power to relieve himself by testifying. And this can rarely ever result in any great evil, while really great evils may result if a judicial court could put an end to investigations by the House.

"Investigating committees" are among the approved and useful agencies for exposing frauds, for providing the means of legislating against them, and for ascertaining what officers deserve impeachment. If we shall now say that all these useful agencies may be arrested by a single judge, we must assume that he combines in himself a wisdom that cannot err, a purity that cannot be bribed or corrupted, while a majority of 292 Members of this House is a less safe repository of human rights and public interests than one single judge. If that be so, it is high time the House was disbanded and abolished.

That was a statement made on the floor of the House in 1876.

I shall not read the various decisions that have been made; but, if any Senators are peculiarly interested in them, I shall be glad to furnish them.

The statement was made that there was some confusion about the subpena and the order of the subpena in 1876. Let me read from the subpena. I have it before me. There is no confusion about what it means according to my understanding.

JOHN THOMPSON, Esq.,
*Sergeant at Arms, or His Special Messenger:*

You are hereby commanded to summon E. W. Barnes, of the Western Union Telegraph Co. at New Orleans, to be and appear before the Louisiana Affairs Special Committee of the House of Representatives of the United States, of which William R. Morrison is chairman, and with all telegrams sent or received by William Pitt Kellogg and [here are given the names of seven others], at the office of the Western Union Telegraph Co., New Orleans, from and after the 15th day of August 1876, in their chamber in the city of New Orleans at the St. Charles Hotel, and forthwith then and there to testify concerning matters of inquiry committed to said committee.

I have before me the evidence of Mr. Barnes in which he declined to obey that summons. The telegraph company at that early date took the position that the subpena was too general. They have long since abandoned that position, however, because they found that it could not be sustained either in the courts or in the Senate and the House.

Here is the resolution:

*Resolved,* That for the efficient prosecution of the inquiry ordered by the House the chairman of the committee communicate to the House for its consideration the refusal of E. W. Barnes to produce before the committee the telegrams referred to in the subpena upon him December 13, 1876, his refusal being in contempt of the House of Representatives.

A minority did argue against the subpena. The Senator from Oregon read from speeches made by the minority in that case, one of whom was Mr. Garfield.

Now, let us see just what they held. Here is the closing clause of the resolution:

*Resolved,* That if said Barnes shall answer that he is now willing to produce said telegrams to said committee, and promises to do so, that he be allowed to do so without unnecessary delay, and upon so doing he shall be discharged from custody.

And yet the statement was made that there was some confusion. There might have been confusion in the mind of Mr. Barnes. He was in jail, where he went because he declined to obey the general subpena of the House, and he stayed there until he agreed to produce the telegrams, and then he was released from custody. I have the entire record of the case before me.

Mr. President, that, however, was not the only instance. I desire to read one other subpena calling for the production of telegrams:

On the 19th instant Mr. Morton, chairman of the Senate Committee on Privileges and Elections, caused a subpena to be issued for President Orton directing him to appear before the Committee on Privileges and Elections and bring with him copies of all telegraphic dispatches received at or sent from the telegraph offices in Salem and Portland, State of Oregon, from the 1st day of November 1876 to the 19th day of December 1876, any and all dispatches containing the name of J. N. P. Patrick or J. N. P. Partrick, also Charles Diamond or Charles Dimond, also Runyon & Co., also Ladd & Bush, also Eugene Casserly, also William M. Gwinn or to said Gwinn or from him, and all dispatches where the sum of $8,000 is mentioned, and all dispatches of a political character by whomsoever sent or received referring to the electoral vote of Oregon, the ineligibility of Watts as Presidential elector, or to giving the certificate to Cronin as a Presidential elector, and also all dispatches of a political character by whomsoever sent or received within the period named herein.

So here we find that they first asked for all the telegrams and then asked for all the others they could think of sent by persons whose names they knew.

I may add that what I have just read is to be found in the Washington Evening Star of date, I believe, December 26, 1876.

Mr. President, I shall not go further into the subpenas, because I have shown by the subpenas themselves—and I could cite many more; I have them here for the inspection of those Senators who may desire to see them—that it has been the uniform rule of this body, as it has been the uniform rule of the House of Representatives, a rule which involves a right which has never been surrendered in any instance, to have investigating committees summon all telegrams that it believes to be admissible, and has adopted the single principal, which has been followed from the beginning, that the subpena must be sufficiently definite to notify the person subpenaed of the papers desired to be produced. That does not mean that all of them are used in evidence; they are not; but the bodies have never taken the viewpoint that either a telegraph company or the person involved can be permitted to pick out the telegrams he wants the committee to have.

I heard a few days ago of a telegram that came into Washington which related to "apricots", and it developed when the subpena was issued for it, or issued for all telegrams (which was the only way it could be obtained in connection with a certain investigation), that "apricots" referred to a stock on the market which was then under investigation. When it was desired to conceal the facts contained in the telegram by using the word "apricots", instead of the word "stock", how would it be possible to obtain the evidence from telegraphic companies after the telegrams had been burned and destroyed all over the Nation if the committee were compelled to ask only for those telegrams the telegraph companies think would be relevant and pertinent?

The telegraph company is not competent to pass upon their relevancy and their pertinency. The committee can do so. They do that as the courts that summon various papers can determine whether or not they are admissible and relevant to the inquiry under way.

Now, I desire to read from a subpena issued by a grand jury which was not with reference to telegrams, but it is in

almost identical language the same. My attention is called to the fact that it does mention telegrams, but it was issued to the person to whom they were sent and by whom they were received instead of to the telegraph company. I will first read from the syllabus:

An officer of a corporation is not subjected to an unreasonable search or seizure by a subpena to produce without ad testificandum clause the books and papers of that corporation, nor is he subjected to self-incrimination by such subpena and an order to produce thereunder or deprived of his liberty without due process of law by being committed for contempt for failure to comply with such order (*Wilson* v. *United States*, 221 U. S. 361).

The subpena to which I now refer on page 483 of volume 226, United States Reports, in the case of Wheeler against the United States. The subpena called for the following information:

All cashbooks, ledgers, journals, and other books of account of said Wheeler & Shaw, Inc., for and covering the period between October 1, 1909, and January 1, 1911—

Two years—

All copies of letters and telegrams of Wheeler & Shaw, Inc., signed or purporting to be signed by said Wheeler & Shaw, Inc., or by its president or its treasurer in behalf of said Wheeler & Shaw, Inc., during the months of October, November, and December, 1909, and the entire year of 1910; all the aforesaid books, copies of letters, and telegrams to be produced before the grand jurors of said district court in the matter of an alleged violation of the laws of the United States by Warren B. Wheeler and Stillman Shaw.

That subpena was not limited. It was all-inclusive. Every letter, every telegram, every book entry, every ledger entry, was called for by the subpena issued by the grand jury. Mr. Justice Day, in passing upon the subpena, said:

There is nothing to show it was so broad as to be objectionable as was indicated of the subpena in *Hale* v. *Henkel* (201 U. S. p. 43).

That is the case from which the Senator from Oregon read. In other words, not only do we have the uniform practice and custom of both Houses at the Capitol, charged with the constitutional function of obtaining information for legislation, but I have produced here an opinion by the Supreme Court of the United States itself which holds there was nothing wrong with the form of subpena which called for every letter, every telegram, every memorandum, and every book entry covering a period of 2 years, and this was to be used by a grand jury with a limited issue before it. It is the duty of the Senate and the House to legislate on all subjects.

Someone has said we would summon lawyers' telegrams and would summon telegrams from newspapers. Are they segregated from the great mass of citizenship of the Nation? Is it true that they have peculiar caste and privilege by reason of the fact that one belongs to the legal profession and the other belongs to the newspaper profession? It is true that lawyers have certain privileges with reference to giving testimony before the courts. That privilege has never been recognized as a matter of right in either body at the Capitol. It is a matter of discretion for the committees to determine.

This country believes in the principle of a free press, and most of its people probably agree with Thomas Jefferson in the statement he made, that if he had to choose between a free government and the free press he would choose a free press, because a free press would bring about a free government. Is it true, because of that belief on the part of the people, that those who engage in that business, so vital and necessary to the peace and happiness of the people of America, are somehow placed far above the law upon a pinnacle so high that they, like the kings in the feudal kingdoms of old, can do no wrong? Yet it is asserted in a judicial proceeding that neither the House nor the Senate has a right to make any investigation of the press.

Mr. President, I yield to no one in my loyalty to the principle announced by Thomas Jefferson with reference to freedom of the press. It has been found in every part of the history of the world that a free press is an asset to free government. Of course, it is true that that tradition sprang up in the minds of men and women at a time when the press was dependent in the main for its income upon those who bought its papers and not upon those who bought its advertising.

I do not subscribe to the doctrine I heard someone announce a few days ago that the press of the United States is today a byproduct of advertising; but I regret to say that every person who believes in freedom of the press is bound to view with somewhat fearful apprehension the dreadful power given to those who can stifle the press by declining to give it advertising, and who can give it prosperity by placing their advertisements upon its pages. But notwithstanding that fact, it is absolutely essential that the people of the United States shall perpetuate a free press. I do not mean the kind of free press prated about by those who believe in a free press for revenue only and who go around the United States talking about a free press at so much per speech. In my judgment, the greatest enemy of a free press which exists in America, today is not any man in political life, not any man who walks the streets as a citizen of this Republic and who loves his Nation and his flag, but the greatest enemy of a free press in America is the man who is willing to subordinate it and to invade the sacred rights of the privacy of American citizens whenever he can do so to put filthy dollars in his pocket.

The enemy of a free press in America today is made up of that group willing to trample upon the rights of citizens, seeking to do it by concealing their own poisoned daggers which they would stick in the hearts of those who dare to oppose them, who thereby create an antagonism against the real press, that real part of a real press that places loyalty to the traditions of the press above the dollars which go to enrich the man at the top of the holding-company ladder.

Mr. President, the Senate may be assured that its committee intends to recognize every constitutional privilege of every citizen. It is not going to be alarmed or frightened or intimidated by any manufactured sentiment which some people think is free and voluntary, but behind which, in the main, we find someone pulling the strings because there is something he wants to conceal.

I do not mean to make that statement about all who disagree as to the exact mechanics by which evidence should be secured. I would not leave that inference. But I say that in the main, now as in the Teapot Dome investigation, now as in the Daugherty investigation, now as in the star-route investigation, now as in the crooked-elections investigation, now as in all the other investigations, the loudest noise comes from those who are afraid that something they have done will be exposed to the public view, and that they will be known for what they are instead of what they want the public to believe they are.

Mr. President, no subpena has been issued by your committee that was not issued after the committee had information, reliable and authentic, upon which the subpena was based. I did not make any statement last week when the Senator from Oregon [Mr. STEIWER] referred to Mr. Bainbridge Colby as one to whom a subpena had been issued. The evidence had not come out at that time, but today I did tell the committee the evidence which came out yesterday, showing that telegrams to and from and about Mr. Colby to J. A. Arnold had been destroyed and could not be obtained in the office of Mr. Arnold. I could have gone further and stated that answers to questionnaires had failed to reveal these telegrams from any other source.

Mr. President, I have given only a part of the history of subpenas and of investigations. The records are filled with criticisms which have appeared from time to time.

I intend, as soon as I shall have finished, to ask unanimous consent to take up in this body for immediate consideration a joint resolution providing that the Senate committee may employ counsel to defend litigation with reference to its powers. I should state what that litigation is.

There is litigation pending against your committee, jointly with the Federal Communications Commission, with reference to the use of telegrams as evidence. If the Senate may be enjoined from the production of telegrams as evidence, it may be enjoined from the use of anything else as evidence, if a judge can be found somewhere who will issue the

injunction. I desire to point out to the Senate that you have appointed a committee to investigate the expenditure of money in elections. There is a great desire on the part of some persons to handicap that committee, and to prevent it from obtaining evidence. If injunctions may be issued against the special committee appointed under Senate Resolution 165, if injunctions may stay the hands of witnesses and stop their feet from bringing to that committee written evidence, courts all over the land that would issue those injunctions would likewise have the power to enjoin any witness from coming before your committees and testifying in person.

It may be that the Senate thinks it should be deprived of that power. It may be that there are some who believe that whenever a witness is summoned to appear before a committee of either House or Senate a district court anywhere in the country should have the jurisdiction, if it wishes to do so, to enjoin that witness from appearing before the committee of Senate or House. Whether or not there are some who have that belief, I do not know; but I do know that if the injunction against your committee should be sustained, and if the precedent recently established should be upheld and obeyed, in which the telegraph company was enjoined from bringing telegrams to this body, it is logical that hereafter injunctions will always be issued to prevent evidence coming to the Senate and to prevent witnesses from appearing before the committees.

That would be a wonderful thing for some persons between now and November of this year. Unfortunately, when human beings go on the bench they are not transformed overnight. Such magical transformations do not occur. Mentalities trained in one direction do not suddenly reverse themselves and go back in another. Prejudices, unfortunately, frequently find themselves deeply imbedded in the human mind and the human heart. The lawyer of today is the judge of tomorrow. History has demonstrated that sometimes the judge of today is unable to lift himself far above the passions and prejudices that were engendered in his breast before he went on the bench.

If the district courts of this Nation have the power to issue injunctions to prevent witnesses from appearing before committees of this body, is it too much to believe that when your committee begins to get close to a huge expenditure of money judges may be found somewhere who will be unable to remove themselves from the prejudices of the past, and who will restrain the witnesses, and tie the hands of your committee, and make the resolution providing for the designation of the committee a vain and useless and futile thing?

I am saying these things because I wish to have the issue clearly understood in determining whether or not this body and the other body wish to surrender this power, or wish to fight to maintain the constitutional functions given to them by the founders of the Republic.

So, Mr. President, I have a joint resolution which provides for the employment of counsel, that counsel to be paid an amount fixed by the Senate Committee to Audit and Control the Contingent Expenses of the Senate, and providing for an appropriation not exceeding $10,000 out of the funds available until June 30, 1937. This joint resolution has the unanimous support of the five members of the special committee. If the Senate should not adopt such a joint resolution, the only authority to employ counsel would be that given to your special committee, with a limitation of $300 per month on the amount to be paid any one person. Of course, I assume that the Senate wishes to have this case decided by the highest tribunal of the Nation. I therefore assume that, if so, it desires proper representation, with a proper fee, in order to protect the constitutional powers of the Senate and the House.

Mr. President, I ask unanimous consent for the immediate consideration of Senate Joint Resolution 234. Since it was drawn, I have learned that in order to be in proper form it should have a slight modification. I therefore ask for the immediate consideration of the joint resolution, and then I shall offer an amendment to it.

The PRESIDING OFFICER (Mr. HATCH in the chair). The joint resolution submitted by the Senator from Alabama will be read.

The Chief Clerk read the joint resolution (S. J. Res. 234) authorizing the Senate Special Committee on Investigation of Lobbying Activities to employ counsel, in connection with certain legal proceedings, and for other purposes, as follows:

*Resolved, etc.*, That the Senate committee acting under Senate Resolution 165 of the Seventy-fourth Congress, is hereby authorized to employ counsel to represent the said Senate committee and the Senate in connection with legal proceedings relative to the powers of the Congress of the United States growing out of legal proceedings instituted in the court to restrain actions of the said Senate committee in connection with the performance of its duties, the total compensation for such legal services to be fixed by the Senate Committee to Audit and Control the Contingent Expenses of the Senate, and the payment of other expenses necessarily incurred in connection with said litigation to be approved by the said Committee to Audit and Control the Contingent Expenses of the Senate, $10,000 to be immediately available under this joint resolution and to remain available until June 30, 1937.

The PRESIDING OFFICER. The Senator from Alabama asks unanimous consent for the present consideration of the joint resolution. Is there objection?

Mr. AUSTIN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum having been suggested, the clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Adams | Copeland | La Follette | Radcliffe |
| Ashurst | Costigan | Lewis | Reynolds |
| Austin | Davis | Logan | Robinson |
| Bachman | Dickinson | Lonergan | Russell |
| Bailey | Donahey | Long | Schwellenbach |
| Barbour | Duffy | McGill | Sheppard |
| Barkley | Fletcher | McKellar | Shipstead |
| Benson | Frazier | McNary | Smith |
| Bilbo | George | Maloney | Steiwer |
| Black | Gibson | Metcalf | Thomas, Okla. |
| Brown | Glass | Minton | Thomas, Utah |
| Bulkley | Gore | Murphy | Townsend |
| Bulow | Guffey | Murray | Vandenberg |
| Burke | Hale | Neely | Van Nuys |
| Byrd | Harrison | Norbeck | Wagner |
| Byrnes | Hatch | Norris | Walsh |
| Capper | Hayden | Nye | Wheeler |
| Caraway | Holt | O'Mahoney | White |
| Chavez | Johnson | Overton | |
| Clark | Keyes | Pittman | |
| Connally | King | Pope | |

The PRESIDING OFFICER. Eighty-one Senators having answered to their names, there is a quorum present.

Mr. COPELAND. Mr. President, I may say to the leader on this side that, in addition to the pending amendment to the Army appropriation bill, there is another amendment which will excite a great deal of debate, and a good many Senators have gone away for the week end. I suggest to the Senator from Arkansas, if it is agreeable to his program, that we let the Army appropriation bill be temporarily laid aside, and take it up on Monday.

Mr. ROBINSON. Mr. President, it had been my intention, after conferring with a number of Senators, including the Senator from Oregon [Mr. MCNARY], the Senator from New York [Mr. COPELAND], and the Senator from Virginia [Mr. GLASS], to move that the Senate take a recess at the conclusion of today's labors until next Monday. It had been my hope that the Army appropriation bill might be disposed of today; but Senators have advised me that a number are absent who would like to be present when the final vote on the amendments to which the Senator from New York has referred may be taken. For that reason I indicate my readiness, when the Senate shall complete its labors today, to move a recess until Monday.

Mr. COPELAND. Then, is it in order for me to ask that the bill be temporarily laid aside?

Mr. ROBINSON. Unless the Senate has completed its labors for the day, I think the Senator would better not do that at this juncture.

Mr. COPELAND. Very well.

Mr. BYRNES. Mr. President, I should like to know what is pending before the Senate at this time.

The PRESIDING OFFICER. The Senator from Alabama has asked unanimous consent that the Senate proceed to the consideration of Senate Joint Resolution 234.

Mr. McNARY. Mr. President, I assume this is the same resolution the Senator from Alabama read to me a few days ago, and which I have asked to have laid over from day to day until I could confer with Senators on this side.

Mr. BLACK. The Senator is correct, except that I may say to the Senator that I was informed by Mr. Pace, the disbursing officer of the Senate, that it was necessary to add the words "to be paid out of the contingent fund of the Senate", and I have prepared an amendment to add those words to the joint resolution.

Mr. McNARY. The amendment will probably improve the joint resolution in that regard, but I think I shall ask that the joint resolution be read at this time, so that I may have a clear understanding of its purpose and purport.

The PRESIDING OFFICER. The clerk will read the resolution.

The Chief Clerk read as follows:

*Resolved, etc.*, That the Senate committee acting under Senate Resolution 165 of the Seventy-fourth Congress is hereby authorized to employ counsel to represent the said Senate committee and the Senate in connection with legal proceedings relative to the powers of the Congress of the United States growing out of legal proceedings instituted in the court to restrain actions of the said Senate committee in connection with the performance of its duties, the total compensation for such legal services to be fixed by the Senate Committee to Audit and Control the Contingent Expenses of the Senate, and the payment of other expenses necessarily incurred in connection with said litigation to be approved by the said Committee to Audit and Control the Contingent Expenses of the Senate, $10,000 to be immediately available under this joint resolution and to remain available until June 30, 1937.

Mr. McNARY. Mr. President, I am informed that the language of the joint resolution follows the practice and precedents established by the Senate. Is that correct?

Mr. BLACK. I think that is correct.

Mr. McNARY. I assumed so from the very minute the joint resolution was brought before the Senate. The reading by the clerk would indicate that it is in the usual form. It has been the custom of the Senate, when measures of this kind are reported from a committee, to permit the employment of counsel to be paid out of the contingent fund of the Senate. When the matter was first proposed I desired to have time for consultation with Senators and for further consideration. At this time I have no objection to the consideration of the joint resolution.

Mr. STEIWER. Mr. President, I have no objection to the employment by the committee of counsel to the extent the committee may have occasion to employ counsel, but before the joint resolution shall be agreed to I should like to be indulged to ask one or two questions.

In the first place, may I ask the Senator from Alabama whether the joint resolution has gone to the Committee to Audit and Control the Contingent Expenses of the Senate?

Mr. BLACK. It has not. I may state to the Senator that I discussed the matter with the chairman of the committee, the Senator from South Carolina [Mr. BYRNES], and with several other Senators, and the conclusion was reached that since the joint resolution really relates to the powers and the duties of the Senate as a whole it was not necessary to refer a measure of this nature to that committee. I may add that I did submit the matter to the chairman of the Committee to Audit and Control the Contingent Expenses of the Senate, because it was my idea that the fee the counsel should receive should be fixed by that committee, and I did not want to attempt to impose such responsibility on the committee without at least discussing the matter with the chairman. There is no rule which requires a measures of this kind to go to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. STEIWER. I think that is correct. What is of more importance, to my mind, is this: What is the occasion at this time for the employment of a counsel; that is, what suits are there to come up in court to restrain the committee?

Mr. BLACK. There is a suit by Mr. William Randolph Hearst against the committee, naming each member of the committee as a respondent.

Mr. STEIWER. Has that not now become really a moot question?

Mr. BLACK. Oh, no; there were two suits. One suit was against the Western Union Telegraph Co. to restrain the production of a single telegram. The committee, for reasons stated in its letter to the Western Union Telegraph Co., revoked the particular subpena involved in that case, stating that the matter could be handled for the Senate in a suit where the Senate itself could appear and help to make the issue and determine the controversy.

It was believed and known by the Senate committee that in a suit between the Western Union Telegraph Co. and Mr. Hearst it was to the pecuniary advantage of the Western Union Telegraph Co. not to contest the suit. Therefore, we did not consider that that would be a real trial.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. BLACK. I yield.

Mr. ROBINSON. The Senate committee was not a party to that suit.

Mr. BLACK. No; the Senate committee was not a party to that suit.

Mr. ROBINSON. And no member of the Senate committee was a party to that suit.

Mr. BLACK. No; nor did we have anything to do with establishing the issues in that suit.

Mr. STEIWER. That is a very interesting phase of the matter. Is it proposed, therefore, to employ counsel, not for that case but because there is another case in which the Senate committee is made a party? The employment of counsel is not in connection with the first suit, to which the Senator has referred, but is in connection with the suit in which the Senate committee has been interpleaded as party defendant?

Mr. BLACK. I may say to the Senator that in connection with the first suit the Senate committee felt that it should have a lawyer, and the lawyer was sent for, and has been here in connection with both suits up to the time that the other case, I assume, has become a moot case. But the employment now, so far as the joint resolution is concerned, is made necessary by the suit of Mr. Hearst against the entire membership of the committee.

The VICE PRESIDENT. The Chair understands that the Senator from Alabama has asked unanimous consent for the present consideration of the joint resolution. Is there objection?

There being no objection, the Senate proceeded to consider the resolution.

The VICE PRESIDENT. The Chair further understands that the Senator from Alabama desires to offer an amendment.

Mr. BLACK. Mr. President, I send to the desk an amendment to the joint resolution, which I ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 2, line 6, after the word "available", it is proposed to insert "from the contingent fund of the Senate."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Alabama.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. MINTON subsequently said: Mr. President, it seems that all of the newspapers of the country are not in accord with Mr. Hearst in his attitude toward the Lobby Committee of the Senate. A very fine editorial appeared in the Capital Times, of Madison, Wis,, in its issue of Tuesday, March 17, entitled "We Repudiate Selfish Use of 'Freedom of the Press.'" I think it would be very appropriate to have this editorial appear in the RECORD following the remarks of the Senator from Alabama [Mr. BLACK] on the freedom of the press, and I ask unanimous consent to have it inserted in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Capital Times, Madison, Wis., of Mar. 17, 1936]

WE REPUDIATE SELFISH USE OF "FREEDOM OF THE PRESS"

An editorial by William T. Evjue

The AMERICAN NEWSPAPER PUBLISHERS' ASSOCIATION,
*New York City.*

DEAR SIRS: Under date of March 12 the Associated Press sent out the following story from New York:

"The American Newspaper Publishers' Association tonight denounced as a violation of constitutionally guaranteed freedom of the press the reported seizure by the Black committee of a telegram from William Randolph Hearst to one of his editors. The association advised any other editor, should he learn of similar action, to consult counsel immediately and take vigorous steps to protect his constitutional rights."

This letter is written in order that this newspaper can go on record as repudiating the things that are being done by the American Newspaper Publishers' Association in the name of American newspapers and American journalism.

The attempt of the big metropolitan newspaper publishers, operating through the American Newspaper Publishers' Association, to identify their greed and selfish aims with the defense of the freedom of the press and other constitutional guaranties is nothing but a fraud and a sham. The Capital Times is one newspaper that will have no part in the conspiracy of these big metropolitan publishers who snipe at one public-welfare proposal after another under the hypocritical disguise of defending the freedom of the press.

I want to protest, too, against the activities of that superlobbyist at Washington, Elisha Hanson, who presumes to speak for American newspapers as the representative of the American Newspaper Publishers' Association. The Capital Times contends that Mr. Hanson is doing a big disservice to the best traditions of journalism by continually making use of the principle of the freedom of the press to serve the selfish, unsocial purposes of the powerful privileged interests he represents.

Need the American newspaper publishers be reminded that the masses of the people in the United States are losing their confidence in the American newspapers? Whenever the public interest is on one side and the interest of privilege and wealth on the other, nine times out of ten the newspapers line up on the side of greed and selfishness.

When the American newspapers were asked to stand shoulder-to-shoulder with other business concerns in endeavoring to decrease unemployment under the N. R. A., the newspapers refused to be licensed under the N. R. A. because of the contention that such a license would be surrendering the freedom of the press—"a principle which the newspapers were sacredly obligated to defend." This contention was a lot of bunk, because the newspapers have already been licensed for decades, as will be pointed out later in this letter.

The newspapers used the freedom of the press to bring about the defeat of the child-labor amendment to the United States Constitution. Newspapers hypocritically contended that for the United States Government to interfere with the right of newspapers to hire newsboys of tender years would be an invasion of the freedom of the press.

When the Roosevelt administration attempted to put a bill through Congress to clean up crooked and false advertising in the United States through which the people of this country are being mulcted out of millions of dollars each year, the newspapers again used the pious phrase "freedom of the press" to defeat a measure which would interfere with their "freedom" to exploit the American people through fraudulent advertising.

When American publishers are asked to recognize the right of editorial employees to organize for their own betterment, the newspaper publishers again hypocritically argue that it would be a violation of the freedom of the press to bargain collectively with their employees, who have been notoriously underpaid.

The above is only a short catalog of the different occasions on which the newspaper publishers have used the principle of the freedom of the press in order to serve their own selfish interests as against the public interest. Now comes the latest episode in which the newspapers are again using the principle of the freedom of the press to thwart the United States Senate in its long-recognized right of investigation to uncover practices that are against public interest.

The Capital Times believes that the right given to a congressional or legislative body to investigate is the best insurance in the possession of the American people against corruption and wrongdoing. The United States Senate has a long and honorable record in exposing corrupt and subversive activities on the part of powerful privileged interests. It is not to the credit of the American newspapers that the newspapers have, in the main, maintained a hostile attitude toward investigations that sought to expose the criminal and corrupt activities of selfish groups. Does the answer lie in the fact that on many occasions the groups being investigated are in a position to control advertising?

One need only to recall the hostile attitude of the newspapers toward the Nye war-munitions investigation, the investigation of the big public utilities, and other investigations to appraise the attitude of the American newspapers on the subject of investigations.

One need only to recall the criminal indifference of the American press to the Teapot Dome investigation to show that this hostility of the American press has extended from 1920 down. Here was a case where powerful, selfish private interests had robbed the United States of oil resources valued at $100,000,000. Senators La Follette and Walsh started the investigation under the most discouraging circumstances. The newspapers maintained an attitude of indifference or open hostility. On March 31, 1924, the powerful New York Times had the following to say concerning the United States Senate's investigation of Teapot Dome:

"A few Senators at Washington have borne themselves like men who at heart are enemies of lawful and orderly government. They profess to be engaged in the laudable effort to uncover corruption. * * * But they make it seem that the real purpose is to paralyze the administration, to terrorize members of the Cabinet, to break down the efficiency of the Government. The investigators are scandalmongers and assassins of character."

Paul Y. Anderson, Washington correspondent, says:

"The propaganda against investigations began with the oil investigations conducted by Senator Walsh and the investigation of the Department of Justice (Harry Daugherty) conducted by Senator WHEELER. In the light of what has occurred since, I dare say few editors will relish being remembered as defenders of Fall, Sinclair, Doheny, Daugherty, Jess Smith, and the little green house on Kay Street. Nevertheless, it was the New York Times which described Senators Walsh and WHEELER as the Montana mud gunners when they undertook to expose the unspeakable frauds which had been perpetrated against the Nation and the unutterable rottenness which existed at the very heart of the Government.

"From Teapot Dome down to the present Black investigation the tactics of the American press have been the same. Today Senators NYE, of the munitions investigation, and BLACK, of the lobby investigation, are being called black dragons, snoopers, chekas. Will all the bitterness that characterized the newspaper attacks on Senators in an earlier day whose investigations restored $100,000,000 in oil resources back to the United States Government, the attack on those who seek to use the power of investigation for the public interest continues.

"Now, as a final clincher to show the hypocrisy of the big publishers, let's draw a parallel that will show how these big publishers are only concerned with the freedom of the press when it can be used to serve their selfish purposes.

When the N. R. A. was being drafted the newspapers bitterly fought the proposal under the N. R. A. to license newspapers in the same way as other businesses were licensed in order that the Government could have regulation over hours and wages under the N. R. A. The big newspapers loudly contended that it would be an invasion of the freedom of the press to license newspapers under the N. R. A.—that such a proposal would subject newspaper control to bureaucratic domination at Washington. Because of their power, the newspapers succeeded in keeping the license provision as affecting newspapers out of the N. R. A.

But every reputable newspaper in the United States has been licensed by the United States Government for decades, and no protest has ever come from the big publishers. In nearly every newspaper in the country you will note the little agate-line statement on the editorial page: "Entered as second-class matter under the act of March 3, 1879." Second-class mailing rights is a special concession given to newspapers and magazines.

Before a newspaper can avail itself of second-class mailing rights, however, it must obtain a license from the United States Post Office Department. The United States Postmaster General can revoke this license or permit without hearing any time he so chooses. During the World War the second-class mailing rights of many newspapers in the United States were revoked, and no complaint ever came from the big publishers who today are so blatant in their devotion to the freedom of the press.

Why don't the big publishers complain against the license of the United States Post Office Department? Here is the answer: According to the United States Post Office Department, the cost of handling second-class mail matter during 1935 was $105,474,053. The newspapers and magazines paid the United States Post Office Department $18,423,226. It therefore cost the United States Government $86,000,000 to pay the deficit on carrying second-class mail for newspapers and magazines.

When the newspapers of the United States are asked to submit to a license by the United States Government under the N. R. A. in order that the Government can control wages and hours to cut down unemployment, the newspapers loudly yell that such a proposal is unconstitutional because it violates the principle of freedom of the press.

When the newspapers, however, can dip into the United States Treasury to the extent of $86,000,000 a year and get Uncle Sam to pay the cost of delivering their newspapers, then they make no protest against being licensed by the United States Post Office Department. Doesn't that accurately reveal the real motives which are back of the professions of the big publishers of the United States on freedom of the press?

How long do these big publishers who dominate the American Newspaper Publishers Association think they can fool the American people with this kind of hypocrisy? If these big publishers continue to use the freedom of the press as a bugaboo to thwart every honest attempt that is made to serve the public interest, the newspapers will get the public condemnation to which they are so richly entitled.

The Capital Times wants to repudiate the things which your organization is doing and which are fast bringing the American press and American journalism into disrepute.

Very sincerely yours,

WILLIAM T. EVJUE, *Editor.*

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House insisted upon its amendment to the bill (S. 3071) providing for the placing of improvements on the areas between the shore and bulkhead lines in rivers and harbors, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MANSFIELD, Mr. GAVAGAN, Mr. FIESINGER, Mr. SEGER, and Mr. CARTER were appointed managers on the part of the House at the conference.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 2625. An act to extend the facilities of the Public Health Service to seamen on Government vessels not in the Military or Naval Establishments; and

S. 3978. An act relating to taxation of shares of preferred stock, capital notes, and debentures of banks while owned by the Reconstruction Finance Corporation and reaffirming their immunity.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States, submitting sundry nominations and withdrawing a nomination, which were referred to the appropriate committees.

(For nominations this day received and nomination withdrawn, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nomination of Maj. Gen. William Kern Herndon, Kansas National Guard, to be major general, National Guard of the United States.

He also, from the same committee, reported favorably the nominations of sundry officers for appointment in the Regular Army.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state the first nomination in order on the calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. ROBINSON. I ask unanimous consent that the nominations of postmasters on the calendar be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations of postmasters on the calendar will be confirmed en bloc.

That completes the calendar.

RECESS TO MONDAY

The Senate resumed legislative session.

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 3 o'clock and 53 minutes p. m.) the Senate took a recess until Monday, March 23, 1936, at 12 o'clock meridian.

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## NOMINATIONS

*Executive nominations received by the Senate March 20 (legislative day of Feb. 24), 1936*

NATIONAL EMERGENCY COUNCIL

George H. Combs, Jr., of New York, to be State director, National Emergency Council, for New York.

PROMOTIONS IN THE FOREIGN SERVICE

The following-named persons for promotion in the Foreign Service of the United States, to be effective April 1, 1936, as follows:

From Foreign Service officer of class 3 to Foreign Service officer of class 2:

Thomas H. Bevan, of Maryland.
Cornelius Van H. Engert, of California.
Herbert S. Goold, of California.
Kenneth S. Patton, of Virginia.
James B. Young, of Pennsylvania.

From Foreign Service officer of class 5 to Foreign Service officer of class 4:

Harry E. Carlson, of Illinois.
Jefferson Patterson, of Ohio.
Harold L. Williamson, of Illinois.

From Foreign Service officer of class 6 to Foreign Service officer of class 5:

David C. Berger, of Virginia.
Ellis O. Briggs, of Maine.
Allan Dawson, of Iowa.
William E. DeCourcy, of Texas.
Robert F. Fernald, of Maine.
John J. Muccio, of Rhode Island.
Christian T. Steger, of Virginia.

From Foreign Service officer of class 7 to Foreign Service officer of class 6:

William H. Beach, of Virginia.
George H. Butler, of Illinois.
Leo J. Callanan, of Massachusetts.
Selden Chapin, of Pennsylvania.
Prescott Childs, of Massachusetts.
Winthrop S. Greene, of Massachusetts.
William M. Gwynn, of California.
Julian F. Harrington, of Massachusetts.
George F. Kennan, of Wisconsin.
Edward P. Lawton, of Georgia.
Dale W. Maher, of Missouri.
Gordon P. Merriam, of Massachusetts.
C. Warwick Perkins, Jr., of Maryland.
Samuel Reber, of New York.
Joseph C. Satterthwaite, of Michigan.
George Tait, of Virginia.
Angus I. Ward, of Michigan.
S. Walter Washington, of West Virginia.

From Foreign Service officer of class 8 to Foreign Service officer of class 7:

LaVerne Baldwin, of New York.
William W. Butterworth, Jr., of Louisiana.
Warren M. Chase, of Indiana.
Oliver Edmund Clubb, of Minnesota.
Paul C. Daniels, of New York.
Cecil Wayne Gray, of Tennessee.
Raymond A. Hare, of Iowa.
Gerald Keith, of Illinois.
Bertel E. Kuniholm, of Massachusetts.
James S. Moose, Jr., of Arkansas.
Henry S. Villard, of New York.
George H. Winters, of Kansas.

PROMOTION AND APPOINTMENTS IN THE COAST GUARD

Ensign Oscar C. Rohnke to be lieutenant (junior grade) in the Coast Guard of the United States, to rank as such from May 16, 1935.

The following-named officers in the Coast Guard of the United States, to take effect from dates of oaths:

*To be chief machinists*

Machinist William R. Kenly.
Machinist Frank F. Crump.

*To be chief carpenter*

Carpenter Olaf G. Tobiason.

APPOINTMENTS IN THE REGULAR ARMY

*To be captain in the Quartermaster Corps with rank from date of appointment*

Clarence Fenn Jobson, former captain, Quartermaster Corps.

DENTAL CORPS

*To be first lieutenant with rank from date of appointment*

First Lt. Joseph Leroy Bernier, Dental Corps Reserve.

APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY

TO QUARTERMASTER CORPS

Maj. Gennad Alban Greaves, Field Artillery, with rank from August 1, 1935.

## CONFIRMATIONS

*Executive nominations confirmed by the Senate March 20 (legislative day of Feb. 24), 1936*

POSTMASTERS

ALASKA

Serena B. Pollock, Anchorage.
Otto H. Kulper, Cordova.

FLORIDA

Mary Joyner, Bagdad.

GEORGIA

Estelle Willis, Hardwick.
William W. Baldwin, Madison.
William T. Pilcher, Warrenton.

MINNESOTA

George Enblom, Atwater.
Obert M. Wammer, Badger.
Eric Lind, Chisago City.
Stephen Singer, Goodridge.
Henry Groth, Wright.

NEBRASKA

Emil Nelson, Minden.

NEW JERSEY

William P. Kern, Jersey City.
Walter F. Hoagland, Kenilworth.
Walter E. Riddle, Sayreville.
Frank T. Callahan, Swedesboro.

OHIO

Charles W. Zeller, Gibsonburg.
Valentine J. Meade, Harrison.
George W. Blessing, Jeffersonville.

SOUTH CAROLINA

Carrie R. Goodman, Clemson.
Malcolm J. Stanley, Hampton.
Murray S. McKinnon, Hartsville.

## WITHDRAWAL

*Executive nomination withdrawn from the Senate March 20 (legislative day of Feb. 24), 1936*

POSTMASTER

KANSAS

Henry J. Hibler to be postmaster at Neodesha, in the State of Kansas.

# HOUSE OF REPRESENTATIVES

## FRIDAY, MARCH 20, 1936

The House met at 12 o'clock noon.

The Reverend W. Angie Smith, pastor, Mount Vernon Place Methodist Episcopal Church South, Washington, D. C., offered the following prayer:

Almighty God, our gracious Heavenly Father, creator of the heavens and the earth, the giver of all good and perfect gifts, we would unite our prayers this morning unto Thee, because unto Thee and Thee only do we look for strength, for inspiration, and for divine guidance. We would pray especially this morning for a unity of thought in this hour of need, while so many of our Nation are suffering from the ravages of flood and other disasters. Wilt Thou touch the heart of this our Nation and so create in the mind of each of us a desire to help, that our benevolent impulses may respond to the need of these our very own. We would pray this morning for these Thy servants, our Representatives, as they lead our Nation in the avenue of peace and toward prosperity, that our thoughts and our lives may be guarded and directed by that mind and that thought which alone comes from the throne of God. Bless each as an individual, and bless especially, our Heavenly Father, this very morning, our Nation and the nations of the world, and so guard and guide us in all of our activities until the kingdom of God shall come here upon earth, and that we may not only understand Thy will but with a new and a definite encouragement be able to say, "Thy will be done." Though we be divided by race and by color and different conceptions of Thee, may we all be united into one brotherhood of man under the fatherhood of God. Through the Redeemer, our Lord and our Master. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Latta, one of his secretaries.

TAX ON IMPORTED OIL

Mr. SANDERS of Texas. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. SANDERS of Texas. Mr. Speaker, Texas this year is celebrating the one hundredth anniversary of her independence. Through the century which has passed, both Texas and Mexico have grown into closer relations of friendship and busines interests. A common misfortune for which neither is to blame also unites them closely today. Both Texas and Mexico today are the victims of exploiters. Mexico's valuable petroleum resources are in a large degree controlled by foreign corporations who use them to dominate the markets in other lands, notably in the United States, while neither Mexico nor the Mexicans receive what they might consider the proper return for their petroleum products. Mexico has taken unusual steps to safeguard her petroleum reserves, even imposing an export duty upon oil, but foreign capital in Mexico is today using that oil in a way which damages both the Republic of Mexico, the State of Texas, and the domestic petroleum industry in the United States.

Today imported petroleum, much of which comes from Mexico, is directly affecting practically all the economic factors in my State. Due to the lower production cost of that imported petroleum, the price Texas receives for the product of one of Texas' greatest natural resources is held below its proper price level and the public revenues of the State itself, to which the petroleum is the heaviest contributor, are decreased as truly and as surely as though an armed enemy had invaded our borders and removed this sum from the treasury of the State.

The oil industry in Texas contributes over 50 percent of the public revenues. It holds under lease one-fourth of the acreage of the State. It contributes to farmers, landowners, and investors in royalties, rentals, and bonuses $102,000,000. Its annual pay roll is approximately $266,000,000, over 675,000 Texans being dependent upon it for their living.

This is the industry so vital to the prosperity and well-being of the sovereign State of Texas which is today handicapped and depressed by the invasion of cheap foreign oil. The importation of that oil is one of the reasons why Texas producers have been forced to curtail their production and were for a long time prevented from receiving anything approaching a reasonable price for their oil. Today, while the price of crude oil has advanced slightly, the expected and merited increase in price which all the other economic factors would justify is being prevented by the competition offered by this cheap oil from other lands.

Texas is the principal oil producing State in the Union. Within her borders lies the great east Texas field, one of the greatest, if not the very greatest, oil fields known. It has been estimated by competent geologists that this field, if opened up to its full producing potentiality, could for a time

produce many times as much oil as the entire world consumes, but neither is the east Texas field nor the State of Texas as a whole with its 52,300 producing oil wells permitted more than a fraction of its possible output. The market which might naturally be found by the Texas petroleum and its products is today being taken by the cheap foreign oil to the amount of over $47,000,000 a year. Only a part of these imports pays any tax whatever to the Federal Government. Its low production costs make it possible for this oil to undersell any oil produced on a sound business basis in this country.

The resulting situation is that the amount of oil which the sovereign State of Texas can market profitably is actually determined by a foreign product. The number of Texans who can be given employment in the petroleum industry in this State is limited by the amount of foreign oil produced by cheap foreign labor which takes the place of the Texas product. The very revenues of our State are reduced since Texas business and Texas production must be held down because oil produced in other lands can undersell us in our own home markets.

The petroleum industry deserves well of the State of Texas. It has paid to the farmers of Texas $54,533,000 in rentals and royalties during the year 1934, the latest for which statistics are available. It has leased from these same farmers 44,000,000 acres at an average of 40 cents per acre, bringing to the farmers $17,600,000, or only $1,000,000 less than the total amount of taxes levied on Texas farm property during 1934. It has invested in petroleum production $1,310,000,000; $70,000,000 in natural gasoline, $309,600,000 in pipe lines and $114,482,000 in marketing properties.

The Texas petroleum industry is building a future for the youth of this State. From that industry there comes the larger part of the support of public schools and universities. Two million acres of land in 19 counties in west Texas was set aside in the days of the Republic of Texas for the support of a university. With the discovery of the Big Lake oil field in Reagan County on university land, oil companies took leases on 279,000 acres of land belonging to the University of Texas, of which 12,320 acres are producing oil and gas. In the brief period since 1923, the discovery date of the Big Lake field, to August 1935, the permanent fund of the university has received in oil and gas royalties and in bonuses and rentals, $21,500,000, while the current income of the university from royalties is $675,000 a year, and $60,000 a year from rentals.

Oil is today the most important industry in the State of Texas. Whatever interferes with the well-being of that industry immediately affects the business life of the entire State. With an investment of $1,804,000,000, exclusive of refining interests, the State's income from this natural resource is nearly $400,000,000 a year. Nearly one-fourth of the total area of the State, or 44,000,000 acres, are under oil leases today, the owners of this property receiving annually approximately $15,000,000 from these leases, the total receipts of the owners, including bonuses and royalties as well as rentals, amounting to over $100,000,000 every year.

Over 50 percent of the total taxes collected by the State government of Texas is derived from taxation of the products and the properties of the petroleum industry, of which $31,640,000 was collected through the State gasoline tax.

In addition to an annual pay roll of $150,000,000, the oil industry in Texas expends approximately $200,000,000 a year for material and supplies and services.

Today Texas is cooperating with other States to control production in order to eliminate wasteful practices. Texas has not only passed legislation to enable the State to control petroleum production within its borders but was one of the leaders in obtaining the authority of Congress to set up the interstate oil compact by which various States may unite in coordinating their efforts in the prevention of wasteful production.

Texas in the year 1935 produced a total of 391,097,000 barrels of petroleum. That was the output for 365 days. A full-flow test made last year of key wells in the East Texas field showed that if the 17,000 wells in that area were permitted to produce without restraint, they would turn out 336,000,000 barrels of crude oil in a single day of 24 hours. East Texas wells are not producing that amount, of course. They were limited through much of the year to 3.4 percent of 1 hour's potential flow. The oil industry in Texas, with some exceptions, approves of some degree of limitation in the interest of the conservation of natural resources, the prevention of waste, and the proper supply of domestic markets. But the oil industry in Texas does feel that since it has placed production limitations upon the oil wells of that State, the foreign product should not be admitted without regulation and without limitation of any kind. If it is proper that Texas wells should be shut in, it is equally proper that the foreign supply of oil shall be equally and proportionately shut in.

Because of this, I introduced on January 25, 1935, H. R. 4744 to increase the taxes on imported crude petroleum and gas and fuel oil from ½ a cent to 1 cent a gallon; to add a tax of $2 per ton on imported asphalt, to remove the limit on the oil import taxes, and to strike from the revenue act the exemption from tax of fuel oil imported as "supplies of vessels." That bill which is still before the Ways and Means Committee is in these respects identical with the bill introduced by the gentleman from Oklahoma who has added one very valuable item to his proposal, namely, the definite limitation of petroleum imports to a fixed proportion of the national demand.

All that has been done by and for the oil industry in Texas depends upon one uncertain element. The State is regulating its production. Through the Interstate Compact Commission, it is cooperating with other States who are likewise regulating their output of crude oil. So far as our own domestic production is concerned, Texas knows where it stands today and where it may stand in the coming months. However, the domestic supply of petroleum is not the only factor in the markets of the United States. All that Texas and the other oil States have done to prevent a wasteful oversupply with the breaking of the market and its harmful effect upon employment and business conditions in general, can be nullified at any time by the will of a half dozen men who make the decisions for those large companies now importing foreign oil. The self-restraint shown by the oil industry in Texas may be of no avail if these importers should decide that in any given period they will largely increase their imports. Texas after all is not independent.

Vitally important to my State and to the people of that State at large and not merely to the oil industry in Texas is the adoption of those policies which are set forth in my bill, H. R. 4744, and in the Disney oil import bill, H. R. 10483. The import taxes provided in those bills, while providing revenue for the Federal Government, will also make it possible for the oil industry in Texas to operate without incurring those tremendous losses which marked the years prior to our recent recovery. The definite limitation which the Disney bill sets upon imports will free the State of Texas as it will free all the oil States of the Union from that constant threat that all their efforts at stabilization and conservation may be made vain at any time by vastly increased imports. The statistics which have been made available to the industry show that these imports have been steadily increasing. Supposed to be held within the limits of the last 6 months of 1932, they have been exceeding those limits by great quantities. "Hot imports" are today as serious a danger to the economics of the petroleum industry as was ever "hot oil" in the days when Texas or Oklahoma or the other oil States were struggling with the task of working out a practical and equitable system of production regulation.

Texas will know a larger degree of independence if this oil import measure is passed. Then it will no longer have to dread an invasion by a foreign product which would threaten its markets. Then its public revenues would not be menaced by forced contributions levied upon the State by the importers of foreign oil. Then its industry and its workers would be free to transact business and to engage in their employment without the fear that foreign oil fields and foreign workers would dispossess them.

If this task could be accomplished by Texas alone, Texas would have done this by herself. If Texas were still a Republic, we would not today have to ask the Federal

Government to protect us against these invading shiploads of foreign products. Texas, however, was glad and proud to lay aside her status as a sovereign nation and enter the family of States in the Union. The powers with relation to foreign commerce we once possessed we transferred to the Federal Government. Now we are asking that Government to use these powers for our protection. We are not asking this as a favor. We are asking it as a right and as an act of justice. We are not demanding it, however, but we are pointing to the situation which exists and asking that it be cured.

We are not seeking unfair advantages. The good that will come to the State of Texas from this legislation will come also to the other oil States of the Union. If this legislation should profit Texas more than it profits some of the other oil States, then it is merely because Texas is larger and because the known reservoirs of oil in Texas are greater. The good which will come from this legislation will not be limited either to Texas or even to all the oil-producing States. Instead it will act as a guaranty that this industry, which was the first to show signs of recovery and which has made remarkable contributions to the restoration of prosperity, will continue to make its contributions of countless millions of dollars to the workers, the farmers, the landowners, and the investors of the Nation.

PERMISSION TO ADDRESS THE HOUSE

Mr. SISSON. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SISSON. Mr. Speaker, I received in yesterday morning's mail 37 letters, of which the letter I hold in my hand is an exact copy. This is just one of the letters which I received. They were all written from the city of Utica, N. Y., one of the cities in my congressional district, and refer to a given piece of legislation which is now pending either in committee or in the House. The exact status of the legislation I do not know. I want to say, as a matter of fairness, that I have not made up my mind or formed any opinion as to whether I shall vote for or against the bill when it comes on the floor for consideration.

Mr. Speaker, I am taking this time not in an effort to do anything against the bill or for the bill, but because I believe this is a particular form of propaganda which is subversive of good citizenship. These letters were all written on the same typewriter. That is, the envelopes were addressed by the same typewriter. The letter itself is mimeographed and evidently all of the letters were signed by the same person. The names attached to these various letters are employees, most of them young girls, in a certain store, one of the chain stores in the city of Utica. I am going to give the name of this store so that no other chain-store organization will be under unjust suspicion. The name of the store is Neisner's.

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. SISSON. I yield to the gentleman from Minnestota.

Mr. CHRISTIANSON. To what legislation does the correspondence refer?

Mr. SISSON. These letters refer to the so-called Robinson-Patman or Utterback bill, and I am asked to vote against the bill.

Mr. Speaker, I ask unanimous consent to insert this particular letter in the RECORD, leaving off the signer of the letter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SISSON. Mr. Speaker, my objection to this is not that it will influence me either to vote for the bill or against the bill, because finally I hope I will be just enough to size up the bill on its merits when it comes before the Members of the House for consideration. I think it is improper and unfair for an employer to compel, as evidently this employer has, these girls, who are overworked and underpaid, to sign such letters and send them to Congressmen at the pains probably of losing their jobs.

Mr. Speaker, the letter referred to is as follows:

FRED J. SISSON,
*Congressman, Washington, D. C.*

DEAR SIR: I protest against the provisions of the Robinson-Patman bill, as I am of the opinion that this bill will tend to raise prices and will be to the disadvantage of the consuming public. I therefore would appreciate your negative vote on this bill.

——— ———.

PERMISSION TO ADDRESS THE HOUSE

Mr. ELLENBOGEN. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. ELLENBOGEN. Mr. Speaker, yesterday I introduced in this House a bill appropriating $50,000,000 for the relief of the flood victims. I plead with the membership of this House to take immediate action on this bill.

I ask this not only for the city of Pittsburgh and for a large part of the State of Pennsylvania, which today is crippled and devastated, but for every community and area which has been overwhelmed in the past few days by one of the greatest disasters in our Nation's history.

We cannot delay. As the flood waters slowly recede, the still greater dangers of pestilence, plague, and famine stalk every stricken area.

No words of mine can adequately bring to you the picture of distress and fear, of desolation and want, which face our people. I saw it in my own district up until 2 days ago. I am going back today to do whatever I can to help.

I want to go back there and tell my people that the Federal Government will recognize their need and is going to help. I want to take to them a message of hope.

I ask the Members of the House to make this possible.

We are faced with a national disaster, and the relief must be national. It is the responsibility of this body to provide full and adequate relief and to avert the dangers which still impede.

The heart of this Nation has always been quick to respond to calls for aid. Even when the call came from far-off China this Congress responded. Can we deny the needs of our very own when it has been the traditional policy of the Congress to extend aid in cases of national disaster?

Mr. Speaker, 2 years ago, when a great drought struck another great section of the country, we all worked shoulder to shoulder and swiftly gave the necessary financial aid. We of the East came to the help of the West because we recognized that the concern was as much ours as yours. Today the East is just as terribly stricken, and now the East and West, North and South must make common cause against a great natural enemy.

I hope, Mr. Speaker, the Committee on Appropriations will speedily report out this bill and that the House and Senate will enact it.

Mr. CHRISTIANSON. Mr. Speaker, will the gentleman yield?

Mr. ELLENBOGEN. I yield.

Mr. CHRISTIANSON. I understand there is about $6,000,000,000 of unexpended balances in the so-called emergency appropriations in the hands of the President. Has the gentleman tried to ascertain whether or not the amount needed for relief in the city of Pittsburgh and elsewhere could be taken from these funds?

Mr. ELLENBOGEN. I have; and the information I get is to the effect that it will probably not be possible to appropriate the money for the type of relief that is needed in the flood areas.

Mr. CHRISTIANSON. It would be a very simple matter for the Congress to so amend that act as to make the money that is now in the hands of the President available for this purpose.

Mr. ELLENBOGEN. I shall be very pleased if the House should see fit to amend that bill so as to provide the necessary relief funds in that way.

Mr. DUNN of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. ELLENBOGEN. I yield.

Mr. DUNN of Pennsylvania. Did I understand the gentleman to state that he has introduced a bill asking for $50,000,000?

Mr. ELLENBOGEN. Yes.

Mr. DUNN of Pennsylvania. That will be insufficient to take care of the situation. I have introduced one asking for $1,000,000,000 and this will not even begin to take care of it.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. ELLENBOGEN. I yield.

Mr. RICH. I may say to my colleague from Pennsylvania that the West Branch Valley of the Susquehanna River, including the cities of Renovo, Lock Haven, Jersey Shore, Williamsport, Muncy, and Montgomery, has had a flood 2 feet higher than the great flood of 1889 and the conditions in the west branch of the Susquehanna River are very bad at the present time. Relief for the homeless and poor is imperative at once.

Mr. ELLENBOGEN. I am very pleased to have the help of my distinguished colleague from Pennsylvania.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield so that I may ask the gentleman from Pennsylvania [Mr. RICH] a question?

Mr. ELLENBOGEN. I yield.

Mr. BANKHEAD. Is the gentleman from Pennsylvania favoring an appropriation for this purpose?

Mr. RICH. In a case of absolute need of this kind, nobody in the House of Representatives would be more desirous of voting funds for the relief of such needs. I always have done this and I always will.

Mr. BANKHEAD. I am very pleased to hear the gentleman make that statement, because he has been very critical of other appropriations for relief, and I am asking him, "Where are you going to get the money." [Laughter.]

Mr. RICH. We can get money for purposes of this kind and we should save money when it comes to things that are unnecessary, like many of the ridiculous bills passed during this session of Congress.

[Here the gavel fell.]

Mr. DUNN of Pennsylvania. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DUNN of Pennsylvania. Mr. Speaker, I believe every Member of Congress knows there is a great deal of suffering going on in the United States because of the terrible floods, and I am convinced beyond any doubt that every man here is willing to do his utmost to alleviate the suffering of the people of our country.

Mr. Speaker, I have introduced a joint resolution, and I ask unanimous consent that the Clerk may be permitted to read it in my time.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read as follows:

Joint resolution to provide at least a billion dollars for the immediate relief of the suffering people in the flooded areas of our country

Whereas within the past 10 days hundreds of thousands of people in the United States and its possessions have been made homeless because of the terrible floods and fires; and

Whereas billions of dollars' worth of property damage has been caused by floods and fires; and

Whereas hundreds of thousands of men, women, and children are homeless because of these floods and fires; and

Whereas an epidemic of disease has already started in many of the stricken areas and will spread throughout the country unless something is done immediately to prevent it; and

Whereas the human suffering cannot be measured by dollars and cents: Therefore be it

*Resolved* (*if the Senate concurs in this resolution*), That the President of the United States shall be empowered to take from the Treasury Department a billion dollars, or more if necessary, to provide food, shelter, clothing, medical aid, and other necessities for the immediate relief of the suffering people of our country; and be it further

*Resolved*, That the President of the United States shall be empowered to loan money to the people to recondition their homes, and also to people whose business establishments have been damaged by the floods and fires; and be it further

*Resolved*, That not more than 1 percent interest shall be charged to any person borrowing this money; and be it further

*Resolved*, That the President of the United States shall do whatever he believes is essential to carry out the provisions of this resolution.

[Here the gavel fell.]

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent that the gentleman may have 2 additional minutes, so that I may ask him a question.

Mr. BANKHEAD. Mr. Speaker, reserving the right to object, is the gentleman from Pennsylvania requesting 2 additional minutes?

Mr. DUNN of Pennsylvania. I will try to answer his question in 1 minute.

Mr. KNUTSON. Would the gentleman support an amendment to direct the money to be turned over to the Red Cross so as to obviate all the large overhead costs of administration?

Mr. DUNN of Pennsylvania. It is not necessary to spend gigantic sums of money for overhead expenses when there is an emergency. Many people would be willing to give their services gratis at a time like this, and I believe that the President would do his utmost to see that the money goes for relief purposes.

Mr. KNUTSON. My guess is that only the Republicans would give their services gratis.

Mr. DUNN of Pennsylvania. There are many Republicans in the flood area and we should help them too. [Applause.]

[Here the gavel fell.]

Mr. RABAUT. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. The Chair thinks that such a request should be submitted subject to the special order of the House that has been previously granted.

The gentleman from Michigan asks unanimous consent that at the conclusion of the special order for today he may be permitted to address the House for 10 minutes. Is there objection?

There was no objection.

### ENTERTAINMENT OF DOUGHBOYS IN THE TRENCHES

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include some interesting remarks recently made by our colleague the gentleman from Massachusetts [Mr. CONNERY] before the Library Committee.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. TREADWAY. Mr. Speaker, having been granted unanimous consent to extend my remarks, I insert excerpts before the Committee on the Library by Hon. WILLIAM P. CONNERY, Jr., Representative in Congress from the State of Massachusetts:

Mr. CONNERY. You spoke, Congressman TREADWAY, about Elsie Janis and her fine work in France. That was true. I do not say this in a sense of egotism but just talking to answer these questions in my own way. I was a private in A Company, One Hundred and First Infantry. We would go into the trenches 5 days and when we came out for a few days nothing so cheered us up and revived us as the entertainments which have been spoken of. I should say first here that I was 29 years old when I enlisted. When we were going over to France on the *Henry R. Mallory*, a fruit steamer, I used to watch those men. I said, "Here is a lot of young fellows; they are apparently happy and carefree. They don't know what they are going up against. They think war is a laugh. They are thrilled by the glory of war. I had read all about it during those 4 years of the war before we entered the war. But when we got over to France I saw the change. I saw these happy boys become careworn men. When they were in the trenches and attacked by the Germans and saw their comrades killed, saw them gassed and maimed, slept in the filth of the dugouts, tortured by the cooties and the rats, the bursting shells, the shrieking of shrapnel, it is a wonder to me now that any of us who heard those Austrian 88's bursting in the air would ever have any nerves left in our bodies.

When we would come out of the trenches, Father O'Connor, who was the Catholic chaplain, and Rev. Lyman Rollins, who was the Protestant chaplain, of our regiment, the One Hundred and First Infantry of the Twenty-sixth Division, which division served longer in the front-line trenches than any division in the A. E. F.—that is why President Wilson had Christmas dinner in 1918 with and reviewed the Twenty-sixth Division when he came over to France, the chaplains would say "Billy, will you put on a show?"

We would go down to the little Y. M. C. A. or K. of C. or Salvation Army hut and I would arrange a program. We would get some of G Company and some of D Company or F or M or any other company who were piano players and others would sing solos or recite and we would put on comedy skits. I would look over those men with their heads down and hearts made heavy by their experience in the trenches. Their morale was way down. We would put on those little shows and we would see their faces brighten up and when they would go back to their dugouts that night to sleep there was an entirely different feeling in the atmosphere of the "gang."

Then it was I had the glorious experience which to me will be the pleasantest memory of my life, that, having been on the stage for 10 years and having a little faculty of entertaining, telling them stories and putting on the little skits for them I was able to cheer them up at such a time. To me that is the greatest joy I have ever had in my life, to see those faces light up and to see their countenances brighten and hear their hearty laughter. And later when I was evacuated to the hospital from the Argonne front, telling the stories to the gangs in the hospital around me is a happy remembrance.

Mr. Chairman, I have had the privilege of singing songs and telling stories to men who within a short half hour afterward were dead on the field of battle. I have sung and told funny—I hope—stories to men with shattered bodies in the field hospitals just back of the lines when I felt I could hardly talk with the lump in my throat as I looked at them.

I have stood in a boxing ring with an audience of three or four thousand soldiers and sang and presented a minstrel show while German shells whizzing high over our heads added their shrill whistle to the music of the band. During a cessation of the day's attack during the 18th of July, Aisne Marne drive, I can remember rustling up boxes and bacon cans to present a minstrel circle in the woods outside the shell-torn village of Vaux. I can still see the picture of a Sunday afternoon in the St. Mihiel sector as I stood before a group of two or three hundred muddy, dirty, fighting doughboys and watched them laugh as I sang a parody on the song Giddy Giddap Giddap, depicting the woes of a private's life in the Army. In the trenches, out of the trenches, in camp, in the snow, in the mud, in the night, on the hikes, day in and day out for 19 months I learned to my amazement what music means to a fighting man, what laughter means to morale, and that is why I have told you some of my own experiences entertaining my buddies, so that I can bring out most forcibly what George M. Cohan did for the entire A. E. F. when he wrote Over There.

Mr. TREADWAY. I am sure our chairman, Mr. KELLER, would be delighted to hear one of the French stories. You are making a most interesting statement. Just tell us one of those stories by way of illustration of the way you entertained our soldier boys.

Mr. CONNERY. I was in the hospital at Autieul, on the race course outside of Paris. That was after the Aisne Marne offensive. They had a hospital right there on the race course, and when I was convalescent they let me go down town. I came to a great big square where a monument to the Bastille is located. I saw an American soldier doing traffic duty probably to direct our own Army vehicles. I went over to talk to him and found out his name was McCarthy and that he came from New York City. While talking to him suddenly a big limousine came tearing out of a side street and nearly knocked the pair of us down. By the way, if you knock a man down with an automobile in Paris they arrest the man who was knocked down for obstructing traffic. McCarthy pulled the French chauffeur down off the automobile, and they had a very spirited argument. The Frenchman could not speak a word of English and McCarthy could not speak a word of French, so this is the way the argument sounded: "Eh bien, monsieur. Je vous dis, que je suis le meilleur juge de cette machine. C'est moi qui l'a batie, n'est-ce-pas? J'attacherai ce fil de fer dans un moment et je continuerai sur mon chemin. Cette machine fût batie ici en France! Moi, je suis francais mais vous, vous etes un American! Qu'est-ce que vous savez des machines francaises? Rien! Absolutement rien!

McCarthy looked at the Frenchman and said, "You are a damn liar. The marines won the war." [Laughter.] I need hardly state that McCarthy was a marine.

We had an old mess sergeant named Tom Dooley. I do not know how old Tom was; he must have been at least 50 years of age. I do not know how he managed to stay in the service. When we were in a little village called Blenod les toul, Tom wanted to get a drink. He knew very little French, but he knew that "avez-vous" meant "have you", and he knew what "bon jour" meant. He undertook, in his Irish brogue, to tell in French the old lady in charge what he wanted. He said "Bon jour, Madam." She said, "Bon jour, Monsieur." He said "Avez-vous, avez-vous, have you any champagne in the house?" She said, "Il n'y en a plus", meaning "there is no more." Then he said "Now, my good woman, avez-vous, avez-vous, have you any vin rouge or vin blanc or whatever in hell you have good to drink, I'd be glad to have some." She said, "Il n'y en a plus." Tom said, "Well, glory be to St. Patrick, give me a bottle of alley-ploo."

Mr. TREADWAY. Those are the things you were telling the boys?

Mr. CONNERY. Yes; and making up parodies about the officers. It is a wonder I was not court-martialed. I used to tell stories and sing parodies about the majors, colonels, and generals right to their faces. It is a wonder I was not put in the jug many a time, but they were good-natured.

That is the glory, to me personally. When I get to be an old man I expect that will be the greatest thing in my life, to look back and see that I was able to cheer up those fellows a bit.

I got a letter from a woman whose boy died alongside of me in the hospital. I got that letter after he died, about 2 months afterward, and she told me that the last letter she had gotten from her boy was one telling her I had sung for him the comic Irish song, What Could You Expect of a Man Named McCarthy? He had written her, she said, such a winning letter about the enjoyment he had in his bed alongside this fellow from Massachusetts. I cried when I read that letter. The point I bring out is, that was joy enough for me.

Elsie Janis did wonderful work in France. It was marvelous. She came out to the front line and sang to the boys and was the idol of our soldiers there.

Mr. TREADWAY. Did you ever join with her in those entertainments?

Mr. CONNERY. No; I will tell you. Elsie Janis came out to entertain the One Hundred and First Infantry when we had just come out of the line for a few days, and were at Aulnois, in the Toul sector, and in the middle of her entertainment she said, "Now, is there not somebody in your regiment who can entertain me? If there is, stand up and sing a song or tell some stories." The gang shouted, "Where is BILL CONNERY?" and it made it very embarrassing for me later, because I was A. W. O. L. over in Toul for 2 nights to get some squash pie. I had not had a piece of pie since I had left the United States almost a year before. I heard that Joe McInerney, a K. of C. secretary from Lynn, was in Toul, so I went over there A. W. O. L., and he fed me squash pie. I ate four squash pies that day at one sitting. So I didn't see Elsie at all. I was more than disappointed, because we all thought that she was great. So when I came back, Captain Murphy, the adjutant of the regiment, said, "Where in the hell were you? We were looking for you. Did you have a pass?" I said, "No; I went over to get some squash pie in Toul", and he said, "Where did you get the pie?" I told him and he said, "Well, I'll let you off this time." He let me off because he knew I'd fix him up later for some pie with Joe Mac, which I did. So there is my experience of missing seeing Elsie Janis.

There is one thing I forgot to mention. The first thing in the mind of any man in any regiment of the American Expeditionary Forces coming out of the trenches was—what do you think? First it was food; then a smoke, and then it was "Where is the band?" "Give us the band." They wanted music. They wanted their morale lifted up. I saw that so many times on all of the fronts. In the little French villages I saw these men up on the top of French huts, and on stone walls, and lying on the ground listening to the band; I saw them coming from all sections. It did something big for them; it built up their morale.

I want to apologize for being so long in my statement, but with the feeling of friendship that I have for George Cohan, when I get to talking about his life and work it is not easy to stop.

Mr. TREADWAY. You have not only talked about George Cohan, but you have given us a very interesting side picture of things which some of us were never privileged to see and experience, and I appreciate your statement very much. Mr. Chairman, I would ask the privilege, with the consent of the committee, of having a copy made for our own use of the description that Mr. CONNERY has given us of his experiences in the entertainment line among his buddies overseas. He certainly contributed to the pleasure and maintenance of morale.

### GEN. HIGINIO ALVAREZ

The SPEAKER laid before the House the following message from the President of the United States, which was read and referred to the Committee on Foreign Affairs:

*To the Congress of the United States:*

I enclose a report concerning the claim of Gen. Higinio Alvarez, a Mexican citizen, with respect to lands on the Farmers Banco in the State of Arizona. The report requests that the Congress authorize an appropriation of $20,000 to settle this claim.

I recommend that the Congress authorize an appropriation of $20,000 to effect a settlement of this claim in accordance with the recommendation of the Secretary of State.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *March 20, 1936.*

### NINTH INTERNATIONAL CONGRESS OF MILITARY MEDICINE AND PHARMACY

The SPEAKER laid before the House the following further message from the President of the United States, which was read and referred to the Committee on Foreign Affairs:

*To the Congress of the United States:*

I commend to the favorable consideration of the Congress the enclosed report from the Secretary of State, with an accompanying memorandum, to the end that legislation may be enacted authorizing an appropriation of the sum of $11,500, or so much thereof as may be necessary, for the expenses of participation by the United States in the Ninth International Congress of Military Medicine and Pharmacy

to convene in Rumania in 1937, and authorizing and requesting the President to extend an invitation to the International Congress of Military Medicine and Pharmacy to hold its tenth congress in the United States in 1939, and to invite foreign governments to participate in that congress.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *March 20, 1936.*

The SPEAKER. Under the special order the Chair recognizes the gentleman from Oklahoma [Mr. ROGERS] for 10 minutes.

THE STORY OF P. W. A.

Mr. ROGERS of Oklahoma. Mr. Speaker, 3 years have elapsed since President Roosevelt, mustering all forces of government to curb an economic disease which had reached epidemic proportions, planned America's first national public-works program. When the Congress, acting on his recommendation, established the Public Works Administration the national economy was indeed a grievously sick patient, lying in a deep coma, resisting all attempts to awaken it with formulas of optimism, with words of good cheer.

A crisis was imminent when P. W. A. and a group of new specialists were summoned to the bedside. They prescribed definite forms of treatment for the sick economy, spurning the discredited incantations of those faith healers who had been promising the patient that "confidence" alone would assure his recovery.

The Nation had faith in these new physicians, and the last 3 years have proven conclusively that that faith was not misplaced. The salutary effects of public-works treatment have long been felt, and the fact that the patient is now well on the way to recovery is due in no small measure to the sound, vigorous treatment which P. W. A. prescribed.

This first practical application of the theory of public works, which had long been contemplated favorably by economists, had two major objectives: The creation of useful work at equitable wages to relieve unemployment and the establishment of sorely needed improvements in the equipment of those services and facilities furnished the American people by its Federal, State, and municipal governments. The first objective of this new economic prescription was rapidly realized. Allocations of some $4,000,000,000 for public works materially reduced unemployment. The P. W. A. program provided work for hundreds of thousands of workers in the construction of projects, instigated a revival in the capital-goods industries through orders calling for the production, fabrication, and transportation of vast quantities of materials necessary for P. W. A. undertakings, and made its influence profoundly felt throughout the entire business structure by expanding vigorously the national buying power and creating a proportionate increase in the demand for consumers' goods. [Applause.]

In examining the recovering patient, observers have noted the beneficial results of P. W. A. treatment. Statisticians early this year estimated that P. W. A. had bolstered the national economy by providing approximately 10,300,000 man-months of employment in actual construction operations. Conservative economists are in agreement that direct employment creates at least the same amount of primary indirect employment in quarries, mines, and forests, in mills and factories, in transportation, and in all of those industries supplying raw and finished materials and transporting them to construction sites. Estimates of some statisticians run as high as five jobs created in indirect employment by every job in construction. Admittedly difficult of measurement is the effect of direct and primary indirect employment on those industries and professions satisfying the demand for consumers' goods and services. However, expanded pay rolls boost the national buying power and re-create a market for those commodities and services which a depression-pinched public has been denied in whole or in part. Statisticians believe that a fair figure in estimating the amount of secondary indirect employment resulting from the P. W. A. program would be 20,600,000 man-months of employment, a figure equal to the most conservative estimate of the total employment provided in P. W. A. construction and in supplying the materials for its program.

It might be recalled here that this first public-works program was concerned not only with putting men to work but with maintaining those high wage standards for which American labor had battled so long and so vigorously. To safeguard these wage standards so laboriously achieved, P. W. A. in all of its undertakings paid its workers the prevailing wage rate. P. W. A. not only maintained the high wage scales of which America is justly proud, but it sustained the morale of the American workmen by providing them with employment on undertakings of unquestioned social value.

It is this second objective of the P. W. A. program whose beneficial effects will be felt long after our unemployment crisis has passed and the great depression of the thirties is but a memory. Few of the many valiant attempts to break the depression will be remembered as long as that of P. W. A., because few of the emergency agencies created to speed the way to business recovery have so profoundly affected the future of the country.

Embracing every State, taking in 3,067 of the 3,073 counties in the country, reaching out into distant territories and possessions, P. W. A. has constructed some 23,700 projects to provide definite lasting services to the communities in which they were established. These undertakings, while byproducts of a plan to meet a national emergency, were designed to fill long-recognized social needs whose fulfillment had been delayed only by the lack of necessary funds. Built in time of an emergency, they became distinctive, enduring additions to America's national wealth. Practically every sizable community in the United States shared in the dual benefits of this program. The immediate need of providing employment of jobless workers was met, and men given work either in the construction of a project or in supplying materials for the undertaking. Beyond that the community gained a substantial, durable addition to its civic assets in the form of new utilities, new schools, or other establishments for public service. The stories of many of these undertakings are known to every schoolboy, to every newspaper reader in the land. The great dams in the West—Boulder, Fort Peck, Grand Coulee, and Bonneville—completed or inaugurated with public-works funds, have impressed the entire country by their magnitude and by their promise of service to hundreds of thousands of our people, but the significance of Boulder Dam is no greater than that of the smallest crossroads schoolhouse, than the least pretentious water system constructed by P. W. A.

The provision of modern educational facilities for a half hundred farmers' children may definitely alter the course of their lives. The establishment of a pure-water supply to a community, which had lived in the constant dread of waterborne sickness, has its beneficial effect on public health more limited than that of the great dams in the number of individuals benefited, but of no less importance to the people of the community served.

In addition to financing some 15,500 undertakings of departments of the Federal Government, P. W. A. provided funds for and directed the construction of more than 8,000 projects proposed by States and lesser governmental bodies. The success of the program, the widespread acclaim that has attended the progress of P. W. A., was due in no small part to the fact that all of these non-Federal undertakings were initiated by the communities benefiting from them; and in each instance the people of the community backed their selection with hard cash by deciding to assess themselves locally for the major part of cost of the P. W. A. improvement. This automatically brought projects of unchallenged worth into the program, for P. W. A. undertook no work which did not enjoy complete local backing. No distant board or commission decided arbitrarily that such and such an improvement was needed by a community; the community itself, which was naturally in a position to know best its own needs, proposed the project and received Federal Government aid in carrying it out.

In non-Federal construction P. W. A. has financed some 2,800 utility projects—sewer and water systems, gas plants and electric-power systems, and waste-disposal plants. It has constructed upward of 3,000 educational buildings, spreading

its funds for the establishment of necessary improvements in elementary and secondary schools, in colleges and universities, in libraries, and other educational institutions. The treatment of State and city wards has been substantially advanced. More than 350 hospitals and homes for the care of the sick, the insane, and the aged have been built and equipped in accordance with the standards of modern institutional practice. Nearly 1,000 undertakings, looking toward the improvement of transportation and the provision of further safeguards against accidents, have been financed with P. W. A. allocations. In addition to vast sums made available for a Federal road-building program, P. W. A. has provided funds for streets and highways, for grade separations, for viaducts and bridges, and for many other types of traffic improvements, ranging from the great Triborough Bridge and the Mid-Town Hudson Tunnel in New York to the grading of streets in small rural communities.

All of these undertakings stand as monuments on a battlefield which witnessed the rout of a major industrial depression by the agencies of a planned economy. They have fulfilled their major objective in creating 3 years' work for 3,000,000 jobless Americans. They have demonstrated the value of public works in a campaign against hostile economic forces and have shown an effective line of attack to be followed against depressions of the future. Built first as fortresses in a war against unemployment, they remain not merely as ornamental monuments of the P. W. A. program but as implements of service to the people of our own and future generations. [Applause.]

Mr. LAMBETH. Will the gentleman yield?

Mr. ROGERS of Oklahoma. I yield.

Mr. LAMBETH. I simply wish to say that I have listened with great interest to the gentleman's remarks. In the State of North Carolina the P. W. A. has been efficiently and economically managed. I regret it has received such a small share of the current appropriation for recovery and relief. When the new bill for the relief of unemployment comes in, I hope it will contain a definite sum for the P. W. A.

Mr. ROGERS of Oklahoma. I thank the gentleman for his contribution.

The SPEAKER. The Chair recognizes the gentleman from Michigan [Mr. RABAUT] for 10 minutes.

Mr. RABAUT. Mr. Speaker, ladies and gentlemen of the House, much has been said from the well of this House concerning the reciprocal-trade agreement between the United States and Canada. Most of that which has been said has come from those across the aisle and many of the comments have been in opposition to the agreement in force since January 1 of this year. But what has been the comment in the editorial columns of the leading newspapers in the 48 States as to this trade agreement? It is shown from a study of editorials that the trade agreement between the United States and Canada has received the wholehearted commendation from all sections of the country. A survey made by the National Committee for Reciprocal Trade shows that from a total of 356 daily newspapers stepping into the field of comment editorially on this subject that 286 have commented most favorably upon this trade agreement and these newspapers, as I said previously, are daily papers which have without reservation endorsed the program, and among them are some with the largest circulation in Alabama, Arkansas, Delaware, Florida, Georgia, Iowa, Kentucky, Maine, Maryland, Michigan, Missouri, Montana, Nebraska, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, Rhode Island, South Carolina, Texas, Utah, Vermont, Virginia, Wisconsin, and the District of Columbia. A majority of the press in small towns of the United States likewise endorse the Canadian pact. Local and national gains are foreseen in New England, the middle Atlantic States, the South, and the leading agricultural States of the Middle West and West. The digest on this subject reveals that the revision of trade bearers under reciprocal-trade agreements are receiving editorially the widest comment. And who is there but taking a broad view of the question will not, at once, realize that it is impossible to live behind the wall of seclusion?

At this point, Mr. Speaker, I ask unanimous consent to insert in my remarks editorial comment from the Times, Tacoma, Wash., and the Record, of Philadelphia.

The SPEAKER. Is there objection?

Mr. RICH. Reserving the right to object, we are not permitted to put newspaper editorials in the RECORD, as the gentleman knows, and I will have to object.

Mr. RABAUT. Well, here is about what they say:

For years international trade has been dammed behind high tariff walls. That was bad because it increased prices of everything "protected" by tariff; prevented exports of surpluses and so reduced the national income; left transportation services without much to do. The whole world will be better off with a general lowering of the bars and a freer flow of products. (Times, Tacoma, Wash.)

It's hard to pull a tariff wall down because special interests cry "ruin" and the great mass of consumers who benefit are hard to mobilize. * * * Making this move in a world where trade is being strangled in a net of tariff and trade regulations is another major step toward recovery. (Record, Philadelphia, Pa.)

Who is there to deny the great benefits accruing to the automotive industry? Where is one so selfish as to fail to recognize the far-reaching benefits of employment created by the existence of the automotive industry, for it reaches into every nook and corner of the land? Indirectly it is the cause of the good roads that the farmers enjoy throughout the States of the Nation. The product of the industry has stepped into the very existence of our every activity, for we find the doctor upon the highway in his small car rushing to bring the pink infant into the world. We find the child of today in all kinds of weather being hurried to school along the highways of the country in the school busses of the land, and into the ramification of business we find it at every nook and turn. Truly the automotive industry and its product has been the modern blessing of America.

I come from Detroit, the city that cradled the automobile. I come from that city that beckoned to geniuses of the Nation to give to an awaiting public the perfect transportation it enjoys today. I said a moment ago who would deny the comeback that is now being enjoyed by the automotive industry, and the reciprocal-trade agreements will add further to its climbing of the ladder to its former position of supremacy.

MOTOR INDUSTRY A GREAT BENEFIT TO ENTIRE COUNTRY

The extent to which the increasing prosperity of the motor industry is benefiting the entire country is best illustrated and made known by a survey of the materials which go into the manufacture of the automotive product. For the industry uses 75 percent of rubber imports, 70 percent of all plate glass manufactured, 57 percent of all malleable iron, 40 percent of the supply of leather for upholstering purposes, 40 percent of all mohair made, 40 percent of all lead, 30 percent of the nickel consumed, 20 percent of the American steel output, 15 percent of all aluminum, 13 percent of the Nation's cast iron, 13 percent of the country's tin, and 12 percent of the zinc output.

The automotive industry over and above this purchases yearly, I wish you gentlemen from the South in the cotton-growing States would listen to me now, 500,000 bales of cotton; and you who are interested in the pigment industry or paint manufacturing, 10,000,000 gallons of paint, 13,000,000 yards of upholstery cloth, 35,000,000 pounds of hair and padding, and while a car advancing in age takes on wrinkled fenders and antiquated form, and becomes the worse for wear, and is referred to in the vernacular of the streets as a hunk of tin, nevertheless the industry still consumes 500,000,000 board feet of lumber. Over and above that, the purchasers of automobiles step into the oil and gas business to the tune of 460,000,000 gallons of lubricating oil and 15,300,000,000 gallons of gasoline.

But, ladies and gentlemen of the House, this is only the beginning. Let us be mindful now for a moment of the benefit of the automotive industry to the shipping interests of the Nation, to the storage houses, to the processors and the handling charges, to the building industry forced from time to time to make expansions all over the Nation from the small one-car garage, the gas stations, the superstations in our great cities, the showrooms, garages, and factories. Further, consider the ribbons of concrete, the network of prepared roads, the widening of city thoroughfares, the re-

construction of building resulting from such widening, the electrical equipment commonly referred to as the stop-light system, and the augmentation of police personnel demanded for safe traffic regulation. Think of the clerical force that has entered into the giant industry, and I wonder what the effect of the buying power of this stupendous manpower is upon the agricultural market. There can be no doubt but that the come-back of this industry is a godsend to the Nation. Oh, it is true, Mr. Speaker. And here I wish to quote from the Milwaukee Journal:

Our high rates against Canada have not helped us but hurt us. No one speaks of the tariff of 1930 as having accomplished any good for the farmer or anyone else. * * * It brought reprisals from all over the world and deepened the depression. * * * The tariffs have not worked for the farmer, as we have heard from every farmers' gathering since the war. * * * The effort to revive trade is to be praised. We are facing the facts; we used to think we could have it both ways—put on high rates and not have our exports cut down. We have found that this barring out of the other fellow's goods is a game two can play at. Therefore we cut down restrictions to trade which have hurt both countries. Here is a blow struck at one of the causes of world depression.

Mr. RICH. Will the gentleman yield?

Mr. RABAUT. No; I cannot yield. I am sorry the gentleman from Pennsylvania has refused consent to put these small newspaper comments in my remarks. It shows the Nation-wide comment on the principle of reciprocal-trade agreements and what they mean to this country. I was anxious for the purpose of conserving time that they be inserted rather than read.

In speaking with members of the Department of Commerce I had occasion to mention that I came from Detroit, and how quick they were to say how the unemployment problem of the Nation would pass from existence like a snowball in the noonday's summer sun were we but to find a new industry to parallel that of the automotive manufacturers. Not an industry of a competitive nature but one bringing forward something new, something appealing, something offering additional comfort, first, perhaps, to be regarded as a luxury, but finally to be accepted as a necessity to American advancement. That is what America craves; that is what America needs. My statement should be convincing to you Representatives from various parts of the Nation, causing recognition of the paramount place that the automotive industry holds in the commerce and trade of our country. And in the spirit that has dominated the industries I wish to say that the more your district receives from it the happier we are, for we wish a broad recovery and desire to be similarly considered by you in your attitude toward the reciprocal-trade agreements.

And what does the New York Times say on this point?—

The reciprocal trade treaty between the United States and Canada is the greatest single step toward the reduction of tariff barriers and away from economic nationalism that has been taken anywhere since the onset of the depression. As such it is not only a fine achievement in itself but a hopeful augury of a wider restoration of international trade and sanity. * * * There is no doubt that special interests, and those who shiver at the very word "imports", will attack this treaty. They began to do so even before they knew its terms. But if they get a serious hearing, it will only be because they succeed in distracting attention from the effects of the treaty as a whole. * * * Imports from Canada dropped from $503,000,000 in 1929 to $232,000,000 in 1934, or 54 percent. Exports from the United States to Canada dropped from $899,000,000 in 1929 to $302,000,000 in 1934, or 63 percent. The new treaty will help producers on both sides of the border to win back at least a substantial part of this lost trade.

And the Post, of New York, puts it in a manner to bring it forcibly home to us:

What would you think of a merchant who prepared for hard times by deliberately antagonizing his best customer? That is what the United States did in 1930. * * * With the depression already under way * * * the tariff bill drastically reduced American business with Canada, our best customer. * * * The decline in our sales to Canada was greater than the decline in our purchases from Canada. The Hawley-Smoot tariff and its aftermath was a disastrous demonstration of economic folly. It taught us that we cannot sell abroad unless we also buy abroad.

Mr. HARLAN. Mr. Speaker, I ask unanimous consent that the gentleman have 5 additional minutes. I should like to ask him a question pertaining to the automobile industry.

The SPEAKER. Is there objection?

Mr. RICH. Mr. Speaker, I reserve the right to object. If the gentleman would extend his time a few minutes more, then I should like to ask him a question in reference to the importation of farm products.

The SPEAKER. Is there objection?

There was no objection.

Mr. RABAUT. I would be glad to permit the gentleman to ask me some questions, providing he permits me to insert certain editorials into my remarks.

Mr. RICH. Mr. Speaker, I have no right to permit the gentleman to do that.

Mr. RABAUT. The gentleman himself made the objection.

Mr. RICH. But it is contrary to the rules.

Mr. RABAUT. For need I recall to Members from the agricultural districts that the workers in the automotive industry are the brothers in toil of the farmers of the several States; need it be for me to tell how many of these sons of toil lost their all in the depression, how the high barriers of protective tariff forced the manufacturers to establish factories in countries across the sea because of retaliatory measures resorted to by nations affected, resulting from the narrowness of our own protective policy and who suffered in the entire transaction—none other than the American workman of the industry, who finally recognized the fact that his workbench had been exiled across the sea. His job was gone, but the reciprocal-trade agreements are again tearing down the barriers and opening the avenues to world trade for the automotive industry; and the artisans, mechanics, and workers in the industry will not be unmindful of this helpful activity and sincere cooperation to assist both the industry and labor by the whole-hearted action of a Democratic administration.

At this time, Mr. Speaker, I wish to voice my deep appreciation as a Democratic Member of Congress to the Detroit News and to the able pen of that distinguished correspondent, Mr. Blair Moody, who in a series of articles brought forcibly to the readers of Michigan the Secretary of State's campaign to recapture American foreign trade by the reciprocal-trade agreements.

TARIFF-BARRIER PROVES LOSS TO MICHIGAN—RECIPROCAL-TRADE AGREEMENTS WILL BE A BLESSING

Michigan's export trade in 1929 was $355,300,000, by 1932 this volume had fallen to $48,933,000, a decline of 86.2 percent. The 1929 export trade reported $73 for each of Michigan's 4,842,000 population. The loss of the difference, namely, $306,367,000, comparing 1932 with 1929, meant a loss to each inhabitant of the State of $63. This drastic decline in export trade meant rigid curtailment in production. Increased unemployment dwarfed purchasing power and of necessity decreased consumption of agricultural products in the domestic market. The tie-up of agriculture and industry by this statement is brought forcibly to our attention. The trade agreement, on the other hand, will open up into every section of the country opportunity for both agriculture and industry so interdependent upon each other, and it is to be hoped that Michigan's domestic market, which absorbs the greater part of its products, will likewise take automobiles, prepared foodstuffs, and other manufactured products. The prosperity of industry takes no cognizance of district or section but depends to a greater or lesser degree upon the condition of industries in every other section, and the automotive industry being of such giant proportions has a relationship in this connection that must be recognized, for just as a depression, like the measles, spreads from industry to industry, from section to section, so, too, recovery is contagious and its germs of activity spread from area to area. City store, factory and office employment, and wages decline with farm income. Industrial cities like Detroit are barometers for rising and falling farm incomes. Industrial pay rolls in the last 2 years have risen in proportion to the increased incomes of farmers. But you have only one side of the picture. The farmers' prosperity depends upon the condition of industry, and in this connection the Secretary of Agriculture recently said:

Farmers of the United States will unquestionably gain from the increased exportation of manufactured products to Canada. Suppose that exports of these products are increased by $300,000,000—a

conservative figure in view of our trade with Canada in the past—and that half of this amount, or $150,000,000, goes into pay rolls. This would mean definite and substantial gains in the cash income of farmers. Studies have shown that in the past an increase of $150,000,000 in United States factory pay rolls added from four to six million dollars to the income of farmers in each of such States as Illinois, Wisconsin, Minnesota, Nebraska, Missouri, Iowa, and Ohio.

The increases in farm income resulting thus indirectly from the Canadian agreement will accrue largely to the producers of livestock products—the very same groups that are concerned over the concessions on Canadian cattle, calves, cream, and cheese.

In other words, the Canadian agreement will bring substantial improvement in the domestic market for these products—an improvement that greatly outweighs the very slight disadvantage resulting from the limited quantity of imports of these products.

Now, in conclusion, I wish to say that the reciprocal-trade agreements, boiled down to facts, makes an appeal to each and every one of us because of our united interest for relief of the unemployment situation of this Nation. I say that, boiled down to the facts, it spells one controlling sentence: Employment for the unemployed. In all the industries that I have mentioned to you in the course of my remarks, whether they be in the North, the South, the East, or the West, whether it be in the fields, in the mines, or the factories, or upon the highways of the Nation, it assists in that which we hope to relieve, the unemployment situation of the Nation. And in that spirit in which we are united, I leave these facts with you for your further consideration, which I hope will be favorable, and may the kindliest feeling be engendered for the reciprocal-trade agreements which are being worked out under the present administration. The automobile workers of my district of necessity are deeply interested, but I have presented the matter to you on a broad scale. I have tried to show its benefits to the agriculture market. I have shown that the press is favorable to this praiseworthy activity of this administration. I feel it will work out as planned and that the barriers of trade being removed, we may progress along more free lines in the spirit of peace and tranquillity and in the attitude of a good neighbor with the peoples of the world. [Applause.]

### AREAS BETWEEN SHORE AND BULKHEAD LINES IN RIVERS AND HARBORS

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill S. 3071, providing for the placing of improvements on the areas between the shore and bulkhead lines in rivers and harbors, with House amendments thereto, insist on the House amendments, and agree to the conference asked for by the Senate.

The SPEAKER. The gentleman from Texas asks unanimous consent to take from the Speaker's table the bill S. 3071, with House amendments thereto, insist on the House amendments, and agree to the conference. The Clerk will report the title of the bill.

The Clerk reported the title of the bill.

The SPEAKER. Is there objection?

There was no objection.

The Chair appointed the following conferees: Mr. MANSFIELD, Mr. GAVAGAN, Mr. FIESINGER, Mr. SEGER, and Mr. CARTER.

### RELIEF OF FLOOD SUFFERERS IN ALLEGHENY COUNTY, PA.

Mr. MORITZ. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a bill which I have introduced on the matter of relief.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to extend his remarks in the RECORD and to include therein the bill to which he refers. Is there objection?

There was no objection.

Mr. MORITZ. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following resolution introduced by me:

Joint resolution

*Resolved, etc.*, That due to the emergency existing in Allegheny County, Pa., as a result of the floods, county funds available from taxation are so impaired throughout the flood area that a continued support of the constructive activities of this county will be impossible. The Secretary of the Treasury is hereby authorized, in cooperation with local agencies in Allegheny County, to employ such county extension agents necessary to aid in quickly and adequately rehabilitate this flood-devastated area.

SEC. 2. That for the purpose of this act there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $5,000,000 to carry out the program of relief to these flood sufferers.

### GOOD GOVERNMENT REQUIRES SOUND BUSINESS PRACTICES

Mr. THURSTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein an address which I delivered over the radio on March 17 last.

The SPEAKER. Is there objection?

There was no objection.

Mr. THURSTON. Mr. Speaker, under the leave to extend my remarks I include the following address which I delivered over the National Broadcasting System on Tuesday evening, March 17, 1936, at 10:45 p. m.:

Ladies and gentlemen, as the political campaign approaches our people expect to have news concerning public affairs. Because they are busy in their respective lines of endeavor, it is impossible for them to give detailed consideration to the many phases of Federal legislation, not to mention the maze of administrative regulations going out from Washington to guide, and in many cases to arbitrarily direct, the conduct of our citizens throughout the country.

Formerly news reporters contacted the principal executive officers of the Federal Government about important matters of current interest. Now each permanent and temporary branch of the Government has a large staff of high-salaried press and propaganda writers who flood the country with thrilling stories about the magic wonders of this administration. It is no exaggeration to say that more propaganda has been released from Washington in the last 3 years, at the expense of the taxpayer, than in the preceding 150 years of our Government; so it cannot be expected that infrequent statements made by critics can equal those of this "self-admiration society", sometimes known as the Roosevelt administration. How these journalists must laugh and chuckle when they send out his "baloney."

There are two schools of thought in Washington—one which seeks to solve all our problems through the creation of new bureaus, commissions, and corporations owned by the Government. This borders on socialism. The other, the Republicans, who contend that our problems can be cured only by the old and tried American plan of persons or private organizations. One, political jobs; the other, private employment.

Should the employment of your children be based upon political influence; will you force them to go into the political begging business in order to find positions; will their future always be harrassed with the uncertainty of employment as the political pendulum may swing either way? Or, may they enjoy security and happiness through their own merit and worth? The next election may decide this question for many years to come.

#### PUBLIC DEBT

It is interesting, although disheartening, to recall that when the Roosevelt administration took office, the public debt was, in round figures, $20,000,000,000 less credits, now it is definitely $31,000,000,000 less credits, an increase of $11,000,000,000 in just 3½ years. But our Democratic friends say this could not be prevented, as they have an acute case of "billionitis."

#### EMPLOYMENT

Now, about employment! Have you observed that we read voluminous propaganda about employment, with almost no mention of unemployment, or of those who were employed one week and discharged the next? Last week the American Federtion of Labor stated that there are now 12,626,000 unemployed. Obviously, no New Dealer or anyone else can reconcile or justify these debt and unemployment increases.

#### TAXATION

I am sure you know that our source of revenue is taxes. Gold and silver may be juggled, or revalued, but taxes—to use a homely term—are the result of sweat. If our people could be made tax-conscious, public officials would be held to account for the sums they so generously scatter and waste. He who buys a pack of cigarettes knows about part of the tax he pays. The same is true of gasoline; but the invisible tax on shoes, or food, is not listed. If we could know that from one-fifth to one-third of the amount paid for almost every commodity we buy is charged to taxes in some form, our people would rise in indignation and call for a hidden-tax accounting.

#### PARTNERS IN GOVERNMENT

Frequently our people do not associate public office with good business management. But you and I are partners, owning equal shares of stock in the greatest business concern in the world, our Government; and we should employ as managers those qualified, to insure success.

No one denies that a substantial portion of the tremendous sum spent by the present administration has been used to assist those in distress and to build needed public works. This money has not all been wasted; but as a member of the Committee on Appropriations, day after day I am obliged to listen to bureau chiefs who glibly ask for two hundred million for this, five hundred million for that, even requesting appropriations running into billions; but they rarely can give specific reasons to support their

askings. With few exceptions, they have very little conception of their duties, virtually none have ever held public office, very few have held positions of importance in private life; they are theoretical and have no working knowledge of the machinery of our Government.

I hope I am not too partisan to pay my respects to the fine, splendid leaders of the opposition party; legislators who understand public affairs; and while we may not agree in several particulars, yet it is to be deplored that much of their sound advice and suggestions has been laid aside and replaced with the views of visionary appointees whose fantastic theories were adopted by the present administration. These fine, able men are perplexed and confused beyond expression.

FARM PROBLEM

As you listen to me, I feel sure you are inaudibly asking: What change do you propose? I answer, not only agriculture, but the entire country, will be benefited by protecting the American producer from the foreign competition of cheap land, cheap labor, cheap transportation. The home market, which consumes 90 to 95 percent of the products of our farms and factories, should be preserved.

The new farm program, as well as the old, seeks to reduce production by about one-fourth. A fair price for his products will benefit the farmer, who will have funds to purchase manufactured goods, thereby increasing employment in shops and factories. Normal conditions in this country will return only when the farm problem is solved.

Contradictory as it may appear, the President has allocated three-fourths of a billion dollars for irrigation and reclamation projects, to cost one and one-half billion dollars, which ultimately will bring into cultivation thousands of acres of land to compete against the farmers who are now being urged to restrict their farm crops. Thousands of mortgages were foreclosed on farms in the region where these new irrigated tracts are located, proving no need for additional farm land. As taxpayers, you are paying for these projects, and while the adverse effect may not be felt for several years, ultimately this additional production will cause another dislocation of agriculture.

Two important divisions of the Government working at cross-purposes: The Department of Agriculture urging restriction of farm products, the Department of the Interior promoting increased production. What could be more inconsistent? Such contradictory and unsound expenditures should be stopped.

To compare: These projects pay no interest for 10 years. If you owned a factory, or were employed in one, how would you like to have the Government erect a competing plant and make no interest charge for 10 years?

In this connection, I mention the well-known shelterbelt proposed by the President, a belt of trees to be 100 miles wide and 1,100 miles long, extending through a semiarid section from the Canadian line to the Gulf. Irrespective of party affiliation, this fiasco has been laughed out of existence. The humor of this silly, absurd project was fortunately appreciated in time to save more than $100,000,000.

The plan to restrict farm production about one-fourth will logically displace about the same percent of farm labor. How shall we reemploy these persons? They cannot be absorbed by industry, because industry now has too many millions unemployed.

I contend that we might greatly increase the production of beet sugar. We could supply three-fourths of the sugar which we use, now being imported. Also, we might encourage on a large scale the production of substitutes for rubber that now comes from lands which do not purchase our commodities.

Another definite field which might be quickly utilized: If the importation of petroleum products and blackstrap molasses were practically prohibited, surplus grain and waste farm material, such as cornstalks and straw, could be made into fuel alcohol and gainfully employ many of our people.

FOREIGN COMPETITION

I can only briefly mention another highly important subject.

The Republican Party for many years has followed the policy of placing import duties on foreign-produced articles, if competitive, but even now two-thirds of all imports are on the "free" list. This policy is based on the thought that we should protect our people against the cheap labor of the rest of the world.

Wages in England are about one-third the scale paid here; in France and Germany slightly less; and the remainder of Europe about one-fourth. In the Latin States below us, the wage level is probably one-fifth that paid here; in China and Japan the wage for unskilled labor is from 15 to 25 cents per day. Many of these countries are purchasing our improved machinery, and their production equals our manpower. Oriental imports are constantly increasing.

Mr. American, how do you like to compete against these low-wage earners?

The Republican Party seeks to protect our factory workers and farmers from too severe competition of foreign labor. Do you believe in this policy, or do you prefer to have the "free-traders" handle your international trade agreements?

The Democrats have always sharply criticized this policy. While they lacked the courage to repeal the last Republican tariff act, although their leaders have repeatedly threatened to do so, through piecemeal reciprocal treaties they are effecting the same results.

For example, when the United States negotiates a reciprocal treaty with nation A, every tariff reduction in favor of nation A can be likewise exercised by all nations having treaties with us. So, possibly with one exception, every nation gets the concession made to nation A, and other countries are not in turn obliged to make any concessions to us. I submit, a boy trading marbles could not be hoodwinked into such an unequal agreement.

This illustrates the lack of business capacity shown by our State Department, now under control of an outspoken free-trade or low-tariff advocate. The facts are that when our good Democratic diplomats see a few silk hats and highly colored spats they just cannot take their eyes off these alluring objects, and, of course, the astute foreign agent walks away with a fine trade bargain—at the expense of the American people.

It is obvious that if we had followed Democratic advice and reduced or eliminated duties upon foreign products, we would have many more millions of people out of employment.

REVERSED POLICIES

The Democratic Party has abandoned almost everything they ever advocated. Their members speak in whispers when States' rights are mentioned. After opposing the protective-tariff principle for decades, they now hesitate to discuss their dear old phantom, free trade; they positively bolt under the table when anyone mentions another one of their international "pets", the League of Nations, and say they never heard of it.

Two laws enacted and then repealed by the New Deal were the Economy Act and the law fixing a tax of 45 cents a bushel on potatoes. Then the shelterbelt 100 miles wide by 1,100 miles long has been abandoned. It is also highly impolite to mention either of these three orphans in administration circles.

If we had joined the League of Nations, today we would be embroiled in all the controversies in Europe, of which we know little and care less; and American mothers now would be fearful of our entry into another world war. At this time the President has a so-called Ambassador at Large flitting from capital to capital in Europe, and, according to the press, mixing in Old World affairs. He does not hold a position created by law and should be immediately recalled.

With few exceptions, all of the leaders of the Democratic Party were in favor of our entering the League of Nations. Americans have repudiated this dictator-royalist league, but it would be interesting to know how many of the leaders of that party at this time still favor this course.

If there was a law to permit a political party to be sued for alimony on account of desertion or nonsupport, our good opponents would be obliged to purchase barrels, as it would take their clothing and other possessions to pay these court bills.

But the Democrats have surely maintained a consistent policy in two respects: For the past 70 years, without exception, they have always increased the public debt when in control. They have been generous in promoting the importation of foreign-produced commodities. They surely do take care of our foreign relations.

In fairness, I should say there is one thing which our good Democratic friends have never deserted. I mention the Treasury of the United States. How they do love this dear old Treasury! If walls could speak, this fine old building undoubtedly would tell a tale of poverty and exhaustion. But the old edifice cannot be lonesome these days, because it is just across the street from the White House.

However, they have furnished us with some diversion. It is said that some well-intentioned person recently addressed a serious communication to the "Superintendent of Chats, Fireside Department, Washington, D. C." I assume it was referred to the boondoggling division.

Please remember that it will require the blood and sweat of the "sons and daughters of the Democrats" to pay these debts, as well as toil and privation on the part of the "children of the Republicans." It will take long and bitter years of sacrifice to balance this account.

We are not unmindful of our duty to those justly entitled to assistance, but public funds should not be absorbed in useless political jobs.

Every red-blooded American enjoys a clean, fair fight, whether on the football field or in the arena. He abhors vote-buying or political bribery. The Republicans challenge the opposition to lay aside unfair political pressure and to stage a fair, open contest.

In conclusion, this America of ours is the finest heritage ever handed down to a people, and you and I have the right to insist on sharing in the wonderful advantages brought to us through this form of government.

In addition, we owe it to our dependents and ourselves to fight to retain these American principles.

The welfare of your family, and of your country, is at stake. How will you vote?

RECIPROCAL-TRADE AGREEMENTS

Mr. RICH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. RICH. Mr. Speaker, first let me say to my colleague from Michigan [Mr. RABAUT] that I did not object to his putting into his remarks the newspaper editorials because of any feeling I have about him, but I regard it the duty of every Member of Congress to keep newspaper articles out of the RECORD; this is a record of Congress, not a record of newspaper editorials.

I call the attention of the House to what reciprocal-trade agreements are doing to the farmers of this country. In 1935 there were imported into the country 4 times as much wheat as was imported in 1934, 14 times as much corn, twice as much oats, 22 times as much butter, 75 times as much beef, and 30 times more pork, double the amount of wool, and the same holds true of a great many other farm commodities. That is what the reciprocal-trade agreements are doing to the farmers of our Nation. Is it helping the American farmer? The same holds true of many manufactured articles.

[Here the gavel fell.]

CALL OF THE HOUSE

Mr. WARREN. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from North Carolina makes the point of order that there is no quorum present. Evidently there is not.

Mr. BANKHEAD. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 42]

| | | | |
|---|---|---|---|
| Adair | Culkin | Hennings | Parks |
| Andrews, N. Y. | Dear | Hobbs | Perkins |
| Berlin | Dempsey | Hoeppel | Quinn |
| Bolton, Ohio | DeRouen | Hollister | Robsion, Ky. |
| Brennan | Doutrich | Hook | Romjue |
| Brooks | Duffey, Ohio | Johnson, W. Va. | Rudd |
| Buckbee, Ill. | Eaton | Kee | Ryan |
| Buckley, N. Y. | Ekwall | Larrabee | Stack |
| Bulwinkle | Englebright | Lesinski | Steagall |
| Cannon, Wis. | Evans | McFarlane | Sweeney |
| Carter | Fenerty | McGroarty | Taylor, S. C. |
| Casey | Fish | McLeod | Thomas |
| Cavicchia | Ford, Calif. | McMillan | Tobey |
| Claiborne | Fulmer | Marshall | Tonry |
| Clark, Idaho | Gray, Ind. | Montague | Underwood |
| Clark, N. C. | Greenway | Montet | Wearin |
| Connery | Hancock, N. Y. | Nichols | Wood |
| Crosser, Ohio | Hartley | Oliver | Zioncheck |

The SPEAKER. Three hundred and fifty-eight Members are present, a quorum.

Mr. GREENWOOD. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

EXTENSION OF REMARKS

Mr. RABAUT. Mr. Speaker, in my address this morning there were some extracts objected to by the gentleman from Pennsylvania [Mr. RICH]. I explained to the gentleman from Pennsylvania what the extracts amounted to, and he has consented to withdraw his objection. I now ask unanimous consent to extend my remarks to include those extracts.

Mr. KNUTSON. Mr. Speaker, reserving the right to object, I do not know what blandishments the gentleman from Michigan has used on the gentleman from Pennsylvania, but meantime I will have to object.

LEAVE OF ABSENCE

Mr. GRAY of Pennsylvania. Mr. Speaker, I understand there is some possibility of my getting through to Johnstown and other parts of my district that have been devastated by the flood. I ask unanimous consent to be excused from the sessions of the House until I return.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. GINGERY. Mr. Speaker, I ask for the same privilege, for the same reason.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 2625. An act to extend the facilities of the Public Health Service to seamen on Government vessels not in the Military or Naval Establishments; and

S. 3978. An act relating to taxation of shares of preferred stock, capital notes, and debentures of banks while owned by the Reconstruction Finance Corporation and reaffirming their immunity.

TO AMEND FOURTH SECTION OF THE INTERSTATE COMMERCE ACT

Mr. GREENWOOD. Mr. Speaker, I call up House Resolution 435.

The Clerk read as follows:

House Resolution 435

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 3263, a bill to amend paragraph (1) of section 4 of the Interstate Commerce Act, as amended February 28, 1920 (U. S. C., title 49, sec. 4). That after general debate, which shall be confined to the bill and continue not to exceed 5 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. GREENWOOD. Mr. Speaker, I yield 30 minutes to the gentleman from Pennsylvania [Mr. RANSLEY].

I yield myself 8 minutes.

Mr. Speaker, I prefer to make my statement in the 8 minutes without being asked to yield.

This resolution comes from the Committee on Rules and provides for the consideration of H. R. 3263, known as the Pettengill bill, relative to long and short hauls on railroads. There has been considerable interest expressed in this bill, both in the last session and in this session. The report comes from the Committee on Interstate and Foreign Commerce, practically unanimous, asking that we have consideration of the bill at this session of Congress.

The rule provides for 5 hours of general debate, the debate to be confined to the bill, and it is a wide-open rule, open for all amendments.

As to the merits of the legislation, as the hearing before the Rules Committee developed, it is the feeling on the part of the railroad managements, as well as all of the brotherhoods, that an amendment of the Interstate Commerce Act relative to long- and short-haul rates should be made. It is largely a matter of procedure. Heretofore, in order to establish a lower rate for a longer haul over the same line, the railroads had to file a petition with the Interstate Commerce Commission, and in many instances the hearings were carried out for several years. Under this bill the railroads will be allowed to publish this lower rate for a longer haul over the same railroad, where they come in competition with other lines of transportation. Then if any shipper feels aggrieved or the Interstate Commerce Commission on its own initiative desires to suspend that rate until a full hearing is had, it may be done. It does not repeal the provisions of the long- and short-haul clause, but it does provide for this procedure which will speed up decisions.

The railroads are seeking a basis of fair competition with water transportation and with bus and truck lines that are now carrying freight. As long as those competing lines of transportation are not under the regulation of the Interstate Commerce Commission, by having their rates fixed, and until that time comes, which many who are interested in all lines of transportation on a fair basis of competition believe should come, it is the opinion of myself and many others in the House that the railroads should be allowed to enter into this competition at a lower rate on a longer haul. The railroads of our nation have about $26,000,000,000 invested. The water transportation, intercoastal, has about $85,000,000. In times of war and emergency, the country must depend upon our railroad transportation. That was demonstrated during the World War. The railroads are now beginning to show a profit and coming out of the debit balance, and we believe they ought to have an opportunity to increase their volume of traffic. After all, the railroads with that investment, have certain fixed charges or overhead that must be met. The profits or returns will then come with the volume of business that is developed. In developing that additional volume of

business on these transcontinental hauls, we believe the permanency of the railroad systems will be preserved. We know we must have railroad systems. We know that if they do not show a profit, at some future time they will have to be taken over by the Government. For myself, I prefer to put them in a self-sustaining position, where they can yield a profit.

Some will believe that on a comparative basis it is unjust to allow a lower freight rate on a longer haul than on a shorter one, but I do not believe this will raise the domestic rates or intermediate rates. I believe that by increasing the volume of business of the whole railroad structure, so that a profit is shown in the operation of the whole system, the Interstate Commerce Commission can then mark down the rates, and I believe they will do so, even on the shorter hauls. It is my opinion we ought to do that in order to give them a volume of business so that they can show a profit, so that the Interstate Commerce Commission will reduce the rates on freight traffic, the same as they have recently done on passenger traffic.

In 1920 the railroads employed 1,600,000 employees. Somewhere about half of that number is now employed, and with the increasing transcontinental freight haul we believe that many employees will be added. The railroads should have some consideration for their life. They are probably the greatest single taxpayers in the United States. There is not a county, not a State, not a municipality but what levies taxes upon the physical valuation of their properties. They contribute to the schools; they contribute to the highways over which their chief competitor operates.

I believe the railroads deserve this consideration to give this basis of fair competition with water-borne transportation and with busses and trucks. I have nothing, of course, against these lines; but bear in mind, as I said before, they are not under the regulation of the Interstate Commerce Commission so as to have their rates fixed. Until this time comes the railroads, I think, should be given this privilege of fixing these rates on these longer hauls.

I believe all of us will want to see at least the rule passed so that we can have full discussion for 5 hours on the bill.

Mr. FITZPATRICK. Mr. Speaker, will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. FITZPATRICK. The provisions of this bill do not make it mandatory on the Commission; they can use their discretion; they can change the rates.

Mr. GREENWOOD. The gentleman is correct; the Commission can change the rates, determine questions of discrimination and questions of proper return and compensation. These are all preserved. It is largely a question of procedure.

Mr. PIERCE. Mr. Speaker, will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. PIERCE. Is it not true that the Interstate Commerce Commission can act on this matter now?

Mr. GREENWOOD. Yes; I thought I made that plain. I will say to my friend from Oregon they can act, but the railroads must petition and wait for a long-drawn-out hearing. It will change the procedure so these rates can be fixed immediately. Then any shipper can file complaint with the Commission on its own initiative and ask for a change of the rates.

Mr. PIERCE. That is the object of it, to shift the burden of proof to the shipper, and it is impossible for him to get into court.

Mr. GREENWOOD. No; the gentleman is in error. The burden of proof still lies with the railroad companies.

Mr. PIERCE. That is the crux of the bill, the shifting of the burden of proof.

Mr. GREENWOOD. Not at all. The burden of proof does not shift from the railroads.

Mr. PIERCE. But the shipper cannot get into court.

Mr. COLDEN. Mr. Speaker, will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. COLDEN. The gentleman referred to benefits for labor and relief of unemployment. Does the gentleman think the granting of this low rate to the Pacific coast is going to restore to jobs all the idle railway men in this country? Has it not been shown by testimony that in spite of increased tonnage on some of the railroads employment of labor has decreased because of the longer trains that are hauled?

Mr. GREENWOOD. I think it will help relieve unemployment, but, of course, I cannot say to what extent.

Mr. COLE of Maryland. Mr. Speaker, will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. COLE of Maryland. We have had a Coordinator of Railroads in this country for some years, Mr. Eastman. He did not testify before the subcommittee on this bill, but it is my understanding he did appear before the Rules Committee. I am wondering if the gentleman would like to give us the benefit of Mr. Eastman's views?

Mr. GREENWOOD. I heard much of Mr. Eastman's testimony. It would take quite a little time to go into that. I would rather put that off until general debate.

Mr. COLE of Maryland. I thought the gentleman might be able to tell us briefly the substance of his recommendations.

Mr. GREENWOOD. There are others who heard his testimony too and I feel sure they will go into it in general debate.

Mr. COLE of Maryland. No record, of course, was made of the hearing before the Rules Committee.

Mr. GREENWOOD. Mr. Speaker, I yield 10 minutes to the gentleman from Georgia [Mr. Cox].

Mr. COX. Mr. Speaker, I make it a rule never to commit myself on any legislative proposal until I think I know something about it. This bill, however, constitutes an exception to that rule. I shamefully confess to you that in response to the appeal of my railroad labor friends, and others in the service of the railroads, I did commit myself to the support of this rule and the bill; and I intend to vote for the rule. When I made this commitment I was under the impression that the bill was in the public interest. I am now convinced, Mr. Speaker, that it is not. [Applause.]

Mr. WARREN. Mr. Speaker, will the gentleman yield at this point?

Mr. COX. Will the gentleman let me proceed for a few moments?

Mr. WARREN. Certainly.

Mr. COX. As I say, Mr. Speaker, there is nothing in the bill except a promise of increased traffic for the railroads at the expense of water carriers and a promise of increased railroad employment at the expense of those now employed by the carriers by water.

The purpose of this bill, and make no mistake about it, is to kill off the water-borne commerce of this country. There will not be created an additional carload of traffic as a result of the adoption of the bill. There will not be made a single job for a single laborer. There will be a shifting, as I have stated, of freight from the carriers by water to the rail carriers and there will be a shifting of labor now engaged in handling water-borne commerce to those engaged in carriage by rail, but labor is going to be disappointed at the small number of increased railroad employees.

If the policy Congress has heretofore pursued—that is, of fostering, encouraging, and building up water transportation—was sound and ought not to be abandoned, then this bill is bad. If what we have done in the way of improving water transportation in the interest of low freight rates or low transportation charges, if what we have done in this regard has been wise, then this bill, Mr. Speaker, ought to be killed.

The question propounded by the gentleman from Oregon [Mr. PIERCE], I believe it was, just before I took the floor is entirely pertinent. The gentleman from Oregon directed the attention of the House to the effect of this legislation, which is most desired by the railroads. In other words, the purpose of the bill is in part to take the rail carriers from under the strict supervision of the Interstate Commerce

Commission. Under the bill which the rule is intended to make in order, the railroads are to be licensed to make and file their own rates without first obtaining leave of the Commission, and then if some interested party should file complaint, or if the Commission itself and of its own accord intervenes, the rates may be suspended and the roads called upon to prove the reasonableness of the charges made.

The Rayburn bill, which Mr. Eastman has on two different occasions approved, is germane as an amendment to the Pettengill bill. The Rayburn bill goes as far in the giving of relief to the rail carriers as they ought to demand, because under that bill before the rail carrier can change its rates in the interest of the seaboard and against the interior areas of the country, it must make application to the Commission and obtain leave.

Effort has been made in the propaganda that has been carried on in behalf of this bill to create the belief that no relief has as a rule been granted by the Commission to the railroads under section 4 of the Transportation Act; but as between 1930 and 1935 there were 150 cases filed and in 120 of them the relief was granted and in most instances granted upon the filing of the application pending hearing.

If someone with a prior right to offer the Rayburn bill, which is the bill that has been approved by Mr. Eastman on two different occasions, does not offer it as a substitute for the Pettengill bill, I will offer it myself. Certainly it ought to be offered in the interest of proper regulation and the public.

Mr. Speaker, what the railroads want is freedom to return to old conditions where the practice so outraged public sentiment as to demand and bring about the enactment of the Interstate Commerce Commission, and later strengthened by making the long- and short-haul provision effective. I challenge any Member of this body to justify upon moral grounds the charging of a higher rate for the transportation of freight over the same road going in the same direction 100 miles than is charged for carrying it 1,000 or 2,000 miles. What the roads want, I repeat, is freedom of action in order that they may kill off the water carriers of the country. There is no requirement in the law that they fix a rate which will give a fair return, but, on the contrary, they are at liberty to carry the freight for less than cost, and they will take it on that basis if such practice will result in the destruction of that instrumentality that Congress has created and has fostered because of the influence that it has upon transportation charges.

Mr. Speaker, if the railroads and labor want relief, let them come in here with a proposal to put interstate carriers under strict regulation, supervised by the Interstate Commerce Commission. As far as I am personally concerned, I am for putting busses, trucks, and all of the common carriers, including water carriers, under strict regulation. That ought to be done; it would protect labor and the rail carriers—and I favor giving both this kind of protection. My chief objection to the Pettengill bill is that it permits the rail carriers to change rates without first obtaining leave from the Commission. There is as much in the Rayburn bill for labor as there is in the Pettengill bill, and it should prevail over the Pettengill bill. [Applause.]

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield 10 minutes to the gentleman from New Jersey [Mr. LEHLBACH].

Mr. LEHLBACH. Mr. Speaker, there is a good deal of misapprehension as to what existing conditions with reference to long-haul and short-haul legislation are and also what the effect of this bill will be. As the preceding speaker has stated, a railroad may charge more for a direct haul or may charge less for a direct haul than the sum of the rates of the intermediate points if the Interstate Commerce Commission says it is a proper and justifiable case. But the present law states that if such a rate is desired by a railroad it shall file an application. If the Interstate Commerce Commission, by applying its rules with respect to the rate-making structure, thinks there is justification for the rate, the rate is granted. As has been said, 150 such applications during a recent period were filed by the railroads; 120 of them were granted, and 30 were denied or are still pending. That is liberal treatment to the railroads with respect to exceptions to this general rule of not charging less for a greater distance of haulage.

Mr. Speaker, what the railroads desire and what would be effected by this bill is about as follows: The railroads need not in each instance justify their rates. They file them, and unless objection is made from some source the rate automatically goes into effect. It is the same proposition as before, only it puts upon the shipper, it puts upon the little communities, it puts upon the water carriers, the duty or necessity of hiring lawyers and engaging in intensive research in order to make out in the first instance a case against the proposed rate. Then the railroads defend their rates.

Of course it has been said, and will be repeated later, that the burden of proof for justification of the rates still rests with the railroads, but the difficulty is that the little fellows at these hundreds of intermediate points have not the resources nor the money to fight the railroads in the first instance before the Interstate Commerce Commission. The railroads are entitled to this treatment today, and they can get it, but they have to show they are entitled to it and not force some little factory, some little community, or some local market to go to heavy and unnecessary expense in order to protect themselves against an injustice on the part of the railroads.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. LEHLBACH. I yield to the gentleman from New York.

Mr. FITZPATRICK. Would the railroads file an increased rate if this bill is passed?

Mr. COX. Might they file an increased rate? Why certainly.

Mr. LEHLBACH. Does the gentleman mean for intermediate points?

Mr. FITZPATRICK. Under the Pettengill bill is not the object the filing of a lower rate for long hauls?

Mr. LEHLBACH. Why certainly.

Mr. FITZPATRICK. They cannot file a higher rate under this bill?

Mr. LEHLBACH. For long hauls?

Mr. FITZPATRICK. Yes; for long hauls?

Mr. LEHLBACH. They can.

Mr. FITZPATRICK. They cannot increase the short-haul rate?

Mr. LEHLBACH. That would not be affected by this particular provision.

Mr. FITZPATRICK. They cannot increase the rate for the short hauls, can they?

Mr. LEHLBACH. They could under this bill.

Mr. FITZPATRICK. Under this bill?

Mr. LEHLBACH. They could.

Mr. FITZPATRICK. I understand from the author of the bill they cannot. The only thing they can do is to file a lesser rate for the longer haul.

Mr. LEHLBACH. Yes; but they can file a rate for anywhere under the Interstate Commerce Act.

Mr. FITZPATRICK. No. I understand they cannot increase the rate for the shorter hauls.

Mr. LEHLBACH. They may have their application reviewed and considered by the Interstate Commerce Commission. Of course, it would not go into effect until the Interstate Commerce Commission gave its approval.

Mr. GREENWOOD. I do not believe the gentleman is correct in his statement with reference to raising intermediate rates.

Mr. LEHLBACH. They can file such a rate, which then would be subject to approval by the Interstate Commerce Commission.

Mr. PIERCE. Will the gentleman yield?

Mr. LEHLBACH. I yield to the gentleman from Oregon.

Mr. PIERCE. Does not the rate have to be compensatory now, and would not the repeal of this clause make it so that it would not have to be compensatory? In other words, they can file a rate so low that it will wipe out competition, whereas now they have to show that they are not losing money on the traffic.

Mr. LEHLBACH. Unless the Interstate Commerce Commission——

Mr. PIERCE. Unless the Commission sees fit to modify the fourth section.

Mr. LEHLBACH. Unless the Interstate Commerce Commission should take notice itself and act on its own motion, which is unusual, it would necessitate, if the rates were not compensatory, or if the rate were not within reason and justice, a little shop or a little factory or a little shipper along the line to hire lawyers, make research, and establish a prima facie case.

Mr. COX. Mr. Speaker, will the gentleman yield in order that I may ask the author of the bill at this point to point to the part of the bill that prevents an increase of rates?

Mr. FITZPATRICK. I can point that out.

Mr. COX. I should like to ask the author of the bill that question.

Mr. LEHLBACH. I should prefer not to yield for that purpose now.

It has been stated that this would be beneficial to railroad labor by increasing employment. Proponent after proponent of this bill has argued before various committees that this bill would not increase the cost of railroad operation, because the excess traffic or the excess freight carried could be carried on existing trains or by the lengthening of existing trains without increasing unduly the cost of operation of the railroads, which means that they can put this into effect without hiring any more men. So the idea which has been drilled into the railroad employees that this is going to be of substantial benefit to them is entirely an illusion.

Mr. COX. Mr. Speaker, will the gentleman yield to me?

Mr. LEHLBACH. I yield.

Mr. COX. I should like the gentleman to yield for the purpose of making inquiry of the author of the bill if there is anything in the legislation that prevents a road from filing increased rates.

Mr. LEHLBACH. I should prefer that to be done not in my time.

Mr. COX. The question was raised here, and it appears there is some doubt about it, although I insist there is none.

Mr. WITHROW. Mr. Speaker, will the gentleman yield for a brief question?

Mr. LEHLBACH. Yes.

Mr. WITHROW. The gentleman says this would not benefit the railroad employee. Does not the gentleman think the railroad employee and his representatives are better judges of that than is the gentleman? [Applause.]

Mr. LEHLBACH. I am having to pass judgment on it, and I have to exercise my own judgment when I advocate or oppose legislation in this House. There are probably hundreds of thousands of people who know more about every subject that comes up here than I do, but, after all, it is my opinion that is to be translated into a vote. [Applause.]

Mr. COLDEN. Mr. Speaker, will the gentleman yield?

Mr. LEHLBACH. I yield.

Mr. COLDEN. I should like to call attention to the RECORD of 1934, on March 1, where the testimony of the Southern Pacific officials is quoted to the effect that they could carry 33⅓ percent extra traffic west and 15 percent east without increasing their mileage, their trains, or their employees.

Mr. LEHLBACH. Precisely; that is just the point I was trying to make. In order to get the support of their labor for this bill they are fooling their labor.

Mr. WARREN. Mr. Speaker, will the gentleman yield to me for a question?

Mr. LEHLBACH. I yield.

Mr. WARREN. Is it not a fact that there has never been a hearing on this bill before the entire Committee on Interstate and Foreign Commerce, and that this ill-advised legislation, about which there seems to be so much difference among its sponsors, comes in here with a rule adopted by a majority of one in the Rules Committee?

Mr. LEHLBACH. I do not care to say what the majority was in the Rules Committee.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield the gentleman from New Jersey 5 more minutes.

Mr. LEHLBACH. The question was asked, What was the attitude of Mr. Eastman, the Coordinator of Railroads, toward this bill? If it is of any importance to you gentlemen, or if it has any influence with you, let me tell you that Mr. Eastman and the Interstate Commerce Commission unanimously opposed this bill. [Applause.]

Now, there is talk that water transportation is subsidized and therefore the railroads should be given unconscionable advantage in competing with or driving out the water competition. Of course, when it comes to subsidies, the only water transportation that is actually subsidized are the ships engaged in foreign commerce, and, of course, the railroads do not compete with ships in overseas traffic.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. LEHLBACH. Let me finish this statement.

It is said, however, that the rivers and harbors are improved at public expense and that the Panama Canal was constructed at public expense, and evidence is offered to show how transportation by water through the Panama Canal has cut down the transcontinental transportation business of the railroads. Well, for heaven's sake, is there any sense in the proposition that in order to procure cheap transportation the United States spends hundreds and hundreds of millions of dollars to afford opportunity for such cheap transportation by water to its shippers and then enacts legislation to put the transportation system that it has thus created out of business? Are we going to dig the Panama Canal and then pass legislation to allow the railroads to make the Panama Canal useless by transporting at a loss from the Atlantic to the Pacific overland and then soaking the little shippers of the inland localities throughout the country to make up this loss?

Mr. KNUTSON. Mr. Speaker, will the gentleman yield at that point?

Mr. LEHLBACH. I yield.

Mr. KNUTSON. Does the gentleman contend that the barge line on the upper Mississippi River, with all its expense of maintaining channels, does not constitute an outright gift?

Mr. LEHLBACH. I do not care anything about the barge line on the upper Mississippi River; that is an entirely different question.

Mr. KNUTSON. It is interwoven with this question.

Mr. LEHLBACH. The improvement of waterways for the benefit of shippers in order to get low transportation is one thing. The barge line has nothing to do with it and is not interwoven with this.

Mr. KNUTSON. The Government has appropriated money as gratuities for it.

Mr. LEHLBACH. I am not talking about that; this is an entirely different question.

Mr. MOTT. Will the gentleman yield?

Mr. LEHLBACH. I yield.

Mr. MOTT. Is it not a fact that the transcontinental railroads were subsidized by the Government at the time they were built by land grants?

Mr. LEHLBACH. They were. Now, I want to say that the bus and truck transportation are under the Interstate Commerce Commission. It is inevitable that within a short time our water transportation will be regulated by the Interstate Commerce Commission. We had better wait and let the Interstate Commerce Commission, with jurisdiction over all kinds of transportation, regulate these matters than to pass a bill which the Interstate Commerce Commission, and almost everyone who has studied the subject, is opposed to. [Applause.]

Mr. SADOWSKI. Will the gentleman yield?

Mr. LEHLBACH. I yield.

Mr. SADOWSKI. Can the gentleman tell us any form of transportation that is tied down by law as the railroad system is?

[Here the gavel fell.]

Mr. LEHLBACH. I am sorry. My time has expired.

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. HARLAN].

Mr. HARLAN. Mr. Speaker, there is not a man in this House on either side or of any party that does not approve

of fair play. The bill you are going to have, or that you have under this rule, is nothing more or less than fair play. [Applause.]

They talk about taking business away from the poor water carriers and turning it over to the railroads, about giving preference to the railway laborers who are going to handle it, as an unfair imposition on our water transportation system and laborers. This bill does nothing of the kind. Water transportation can charge more for a short haul than a long haul. It is only giving railway labor an equal opportunity to work. This bill is taking nothing from any other type of labor to which it is justly entitled. If you believe in competition, why not put all these instrumentalities of transportation on the same plane.

The gentleman who spoke here a moment ago says, "let us put them all under the Interstate Commerce Commission." That is all right. I am with him on that, but why not put them on the same plane now, so that when they go under the Interstate Commerce Commission we will not have to be bothered with this unfair differentiation. The railroads of the country are the largest employers of labor of any organization in the United States. They represent $26,000,000,000 worth of taxable property, and in some communities they are paying over half the taxes, while endeavoring to survive, buy material, meet pay rolls, and pay dividends. They pay their labor the highest wage of any similar employer in the country, and yet we hold their hands and let their competitors pick their pockets. If that is fair play, if that is free competition, then I know nothing about it.

We have built the Panama Canal. We have subsidized airways, built concrete highways, and operate power transmission lines. We have permitted power companies to ship coal by wire over and through mountains and hills, and pipe lines to do the same with oil, and they can charge any rate they want to and get away with it. The railroads that are operating something that pays dividends, that hold the investment of trust funds, that protect insurance companies, that are the very backbone of our financial structure, you tie down and prevent from protecting themselves.

Some gentlemen here, one sitting in front of me, a good friend of mine, is much disturbed by some of the railway activities and things that occurred 50 years ago in the railroad business. That was long before the Interstate Commerce Commission was in operation and before the railroads had any competition. Anything that the railroads would do under this proposed bill would still be under the surveillance of the Interstate Commerce Commission.

If the railroads today were to discriminate against any community, competition would soon correct the evil. The gentleman just said that they could haul freight at a loss. The question as to reasonable return is always before the Interstate Commerce Commission, and with this in view any proposed rate must be considered.

Under the present law, under the conditions as they exist today, a railroad can put in a rate allowing a larger compensation for a shorter haul than for a longer haul, and after it has put it in, if anybody protests, then the matter is held on for hearing indefinitely. There is no time placed for a hearing at all, and the railroads cannot proceed while the matter is pending for hearing. Under the bill before us the law controlling the railroads for short haul and long haul will be the same as every other provision pertaining to railroad rates in the Interstate Commerce Act.

In other words, when the railroads post their rates giving a larger charge for a short haul than for a long haul, the matter will be published, and then if an objection is filed the matter is to be heard within 7 months by the Interstate Commerce Commission. It is essentially the difference of time involved in changing a rate between 7 months and an indefinite time. That is the main question involved here in this bill. In other words, under this bill you could not tie up the railroads longer than 7 months in changing a rate. The water carrier, the pipe-line company, the power company, and the trucks and airplanes will continue to have a tremendous advantage even if we pass this bill, but I submit, in the interest of fair play, we ought to give the railroad a part of an even break once. [Applause.]

Mr. GREENWOOD. Mr. Speaker, I yield 8 minutes to the gentleman from Arkansas [Mr. DRIVER].

Mr. DRIVER. Mr. Speaker, some question arises as to the attitude of the Interstate Commerce Commission on this pending measure. I shall give to the House the language of Coordinator Eastman, who is one of the Commissioners, with reference to disturbing the long- and short-haul clause of the Transportation Act:

> We are unable to understand how the public interest would be served by the enactment of such a bill. Experience has shown during the years before and since the enactment of the act in 1887 that special measures are necessary to prevent a peculiar form of undue discrimination which may be created by the establishment of higher rates for shorter than for longer distances. Section 4 was designed to protect the public against this special kind of prejudice and discrimination.

In the language of the proponents of this bill, it just does not amount to anything, but I say that when you find the railroad interests of this country supporting a measure, before you make up your mind you had better ascertain that it does not amount to anything. The change of procedure alone, which is at least admitted by the proponents of this bill, is sufficient, in my opinion, to destroy the recaptured commerce on the improved inland waterways of the Nation. We are not going to disagree in our views as to the valuable contribution to our economic structure that is made by cheap transportation. That is the purpose of the declaration of policy in the Waterways Act, which provides for the development and promotion of waterway transportation in order to guarantee to the shippers of the country a cheap method of transporting their products, and we cannot discharge the obligation that we owe to the citizens of the Nation unless we make available to them the cheapest possible transportation, it matters not whether that transportation be by railroad, by truck, by bus, or by water-borne commerce. I remain in no doubt of the fact that we are witnessing in this attitude on the part of the railroad interests of the country an effort to open the door to a return of the outrages perpetrated in the intermountain country and noncompetitive interior points which caused a war of 20 years to be waged in order to secure in the Transportation Act a guaranty against the abuses which then prevailed.

I give this House this further warning: This bill is laying down a predicate on which the railroads are preparing to wage war on the competitive transportation agencies, and they are going to make the interior pay again the expense of that undertaking. [Applause.]

Of course, no one can defend the former practice now prohibited by declaration of positive law, of charging more for a short haul than they charge for a long haul. They destroyed cities, when unregulated, through that practice, and they built cities, under their indiscriminate, reckless operation during that period of time. When you say we tie the hands of these transportation agencies, we say we tie them because of the practice of the railroad companies then. Can we now place greater confidence in that same operation, so long as they are moved by the same men in the counting house in the larger cities of your Nation, whose policy is now and ever has been the greatest charge that the traffic will bear?

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. DRIVER. No. They are going back to it. Have we any reason from the lights before us today to believe they have reformed? We recall the time when they had flocks of paid lobbyists in the capital cities of the States of this Nation purchasing and directing your legislatures, dictating the regulations that applied to their own operation. From the lights before us they are ready to engage again, when their own selfish interests may be involved, in just exactly a similar character of conduct. Of course, if there is nothing in this bill, the railroads would not be behind it and pressing it with the vigor they are displaying.

Now, we have developed some waterways in this Nation. We have built great terminals in many of the cities. We have expended millions of dollars to develop the great

arteries of commerce that Nature has provided; but we have been more indifferent to those potential values than any other nation on the face of this earth. Why? Because we permitted the railroads, in their ruthless enterprise, in order to build and continue a monopoly in transportation, to sweep the equipment from the waterways; and we are just now recapturing some small part of that lost tonnage. We might as well tear down all of the work we have performed on the great Ohio River, with its 60 dams and perfect channel; on the Illinois River, so recently opened, over which today there floats tonnage from the great industrial areas of that State at a rate at which the railroads cannot carry the traffic. [Applause.]

Much is said of discriminations inflicted upon the railroads through the inequalities existing in competitive agencies. One of them is that the trucks and busses are permitted to operate over the highways without paying a reasonable cost for the use. The highways were constructed for the convenience of that same public which is entitled to the lowest reasonable rate for the transportation of its necessities and the establishment and utilization of such low-cost transportation was in the exercise of such privilege. It is now demonstrated that a connected and consistent development of the great arteries of commerce in our waterways is justified, and there will be no turning back until the job is complete. The justification for the existence of any transportation system lies in its ability to serve the interest of the public, and if it fails to measure to such requirement in that it is unable to render the service demands at a reasonable comparative cost, then it cannot be justified. In my opinion, the ultimate of the rate structure will be found in the policy of the cost of service plus a reasonable profit, and the future of railroad transportation will not hinge upon the ability to change the laws to enable discriminations to be practiced or to destroy competitive agencies, but will be solved when the exploiting banking control are willing to abandon the policy of "all the traffic will bear", sit about the board, and adjust their capital structure to conform to actual investment and values and thus provide a basis for a reasonable return thereon.

The President is opposed to the measure and quotes the criticism voiced by Coordinator Eastman, of the Commission, as follows:

> After the changes in section 4 and because of the disappearance of the water lines, the Commission gradually compelled a revision of rates in southeastern territory which has very nearly eliminated fourth-section departures on direct routes. This gave the inland water lines a renewed chance to operate, and they have returned to a considerable extent more particularly on the Mississippi and Ohio Rivers. However, if the railroads were permitted to make competitive rates without restraint and regardless of the level maintained at intermediate, noncompetitive points, they probably could drive the water lines out of business again. The same thing might happen, to a considerable extent, with the trucks.
>
> But if there should be restraints on competition, the question still remains whether a section 4, such as has existed since 1910, is necessary for this purpose. It is true that the Commission could exercise a very considerable measure of control under section 3 and its power to fix minimum rates, coupled with its power to suspend rate changes. However, the forms of discrimination against which section 4 is directed are particularly flagrant forms which tend to arouse acute public dissatisfaction. The history of the section and the fact that most States have similar provisions in their statutes, and sometimes even in their constitutions, is evidence that this is so. Section 4, as it has existed since 1910, gives the Commission a wider discretion and more flexible means of dealing with such discriminations and restraining the competition which gives rise to them than it would otherwise possess.

The National Grange, in a letter addressed to the Members of the House of Representatives on March 9, 1936, boiled the matter down and offered this justified criticism:

> The passage of this bill would work irreparable injury to agriculture. Its purpose is to repeal the long- and short-haul clause of the fourth section of the Transportation Act, paving the way for a cutthroat rate war against boat and truck lines and other competitors of the rail carriers. To finance such a rate war the railroads would keep their freight rates to the intermediate noncompetitive points on a high level.
>
> The farmer lives in the interior. The farmer is the intermediate shipper. The farmer is the man who is located at the noncompetitive point, and the farmer is the man who would have to pay the bill, in the form of exorbitant freight rates, to finance the railroads in a rate war with other carriers.
>
> This kind of legislation would drive industry to the seacoast and depopulate the interior of the country. It would remove the farmer's market farther and farther from him and increase his cost of doing business.

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, I am glad for the opportunity afforded me in these few minutes to speak briefly in support of this bill, the author of which is my esteemed and able colleague from Indiana [Mr. PETTENGILL].

For sometime it has been apparent to me from the source of the opposition to this bill that some of the competing transportation agencies have some advantage, by reason of governmental regulation or restriction of railroads that they want to hold onto. I have no quarrel with those people who are seeking to hold onto an advantage, if they have one; but, after all, that does not reflect an advantage to the shippers of the country or to the people of the country generally.

I have an idea that many of the governmental restraints and regulations, as they affect railroads, were enacted and adopted at a time when the railroads had a virtual monopoly in the transportation field. What has developed since that time? We have seen the expansion and development of waterways, of bus and truck transportation, until today the railroads do not have a monopoly in transportation, but, on the other hand, they are subjected to fierce competition, which is probably as it should be. But as the gentleman from Ohio has suggested, what is wrong with giving the railroads a fair deal and an equal opportunity in the competitive field?

If we will reflect upon the industrial and economic development of this country we will see that all manner of things in industry and transportation have become obsolete and have been forced out of the picture because they were obsolete. Some people today would have you believe the railroads are obsolete; that as a system of transportation they are antiquated and that we do not need them any more. If that is really true, then I say that as a part of the history of the industrial development of this country they will go out of the picture. But before they are determined to be obsolete, before we say that the railroads are to be supplanted by any other system of transportation, let us put them on a fair and equal basis, to the end that they shall have an equal chance, and no more, for their continuing existence. [Applause.]

I cannot see where this bill is going to create any undue advantage for the railroads. Rather, it will do no more than give the railroads an equal opportunity along with all of the other competing systems of transportation. If they are able to survive, then I say let them survive.

Mr. REECE. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. REECE. After this bill has been passed will not the Interstate Commerce Commission have every power over the railroads which they now have with respect to fixing rates and otherwise protecting the people from any unjust discrimination?

Mr. HALLECK. That is my understanding of it.

Mr. SAMUEL B. HILL. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. SAMUEL B. HILL. Then why the legislation, if that statement is true?

Mr. HALLECK. I am attempting to give my reasons for supporting this bill.

Mr. REECE. Mr. Speaker, if the gentleman will yield further, there will be a change, a difference, only in procedure and not with respect to the power which the Interstate Commerce Commission will still have over these matters. Their power will not be lessened in any degree with respect to discrimination and other control over the operation of the railroads.

Mr. PIERCE. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. No; I cannot yield further.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield 3 additional minutes to the gentleman from Indiana.

Mr. HALLECK. There is, of course, something in this legislation. I would not stand on the floor and say that it is going to have no effect. I say that its fundamental effect will be to give the railroads as a competing system of transportation a fair opportunity in open competition to make a fight for their lives, which they have a right to make. [Applause.] You might as well line up three foot racers, two of them unfettered, and then put a ball and chain on the third, whom we will call the railroads, and say: "Now, you railroad runner, go out in this race and win if you can." I do not believe that is the manner in which governmental restraint, governmental regulation, is intended to operate. [Applause.]

Mr. Speaker, I yield back the balance of my time.

Mr. GREENWOOD. Mr. Speaker, I yield the balance of my time to myself.

Mr. RANSLEY. Mr. Speaker, I yield the balance of my time to the gentleman from Indiana [Mr. GREENWOOD].

Mr. GREENWOOD. Mr. Speaker, my colleague from Georgia raised the point that this would destroy water transportation. With the natural advantages water transportation has to serve the cities on the coasts and many inland rivers, with the subsidies and appropriations that have been made for rivers and harbors, that this bill will destroy water transportation while these lines of water transportation enjoy this subsidy. The railroads have been paying taxes to every State, to every county, and to every municipality; in most instances being the highest taxpayer; and I join my colleague from Ohio in insisting that these amendments will bring fair treatment to the railroads of the Nation as against bus and truck lines and as against water transportation; because as to rates, buses, trucks, and water transportation are not under the strict regulation of the Interstate Commerce Commission, and until that hour arrives, and I believe it will arrive, the railroads should have the same opportunity to fix rates on the long haul that will be fair on a competitive basis, which right is now enjoyed by these competing lines of transportation.

Published rates of the railroads are now public and the procedure is that if they are raised or if the Commission desires to alter them of their own initiative the rates are suspended. There is no new procedure with reference to placing a lower rate on the longer haul under this bill. They are made under the same procedure that now operates with reference to the publication of rates.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. GREENWOOD. Yes.

Mr. COX. Under the present law does not the carrier have to make application to the Commission and obtain consent of the Commission before they can change the rate?

Mr. GREENWOOD. As I understand, under the regulations, they must publish these rates and hearings must be held. That is what this bill proposes.

Mr. SAMUEL B. HILL. Mr. Speaker, will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. SAMUEL B. HILL. The gentleman certainly does not mean that under the present law the railroads must make application for relief and hearings be held before relief is granted affirmatively.

Mr. COX. The Commission may grant relief pending hearing if it sees fit.

Mr. GREENWOOD. I do not understand that is the procedure. As I understand, procedure under this bill will not be different from what has been pursued in the past. Rates must be published and the Commission can suspend a rate, or any shipper can object to it and have a hearing.

Mr. COX. Mr. Speaker, will the gentleman yield at that point?

Mr. GREENWOOD. I should like to finish my statement; I have only 2 or 3 minutes remaining.

So, Mr. Speaker, we ask for this fair treatment as between railroads and these competing carriers. I cannot see how any rate would be raised on a short haul. These competitive rates will be on transcontinental hauls or on the longer hauls where there is competition from water-borne commerce. That does not mean that any rate to intermediate points would be increased, and I do not understand that this bill gives any power to raise rates on the intermediate hauls.

Mr. COX. The gentleman is in error about that.

Mr. GREENWOOD. No; I do not think so. I consulted the author of the bill.

Mr. COX. I challenge the author of the bill.

Mr. GREENWOOD. I believe it will mean a lowering of all rates; that by taking into consideration in the rate structure a fair return, considering the overhead and the increased volume of business, that it will make an increased return, so that the Commission can carry out the policy that was recently carried out in reducing the passenger rates on its own initiative by giving a proper return to the railroads on the whole rate structure. On this basis I believe that even the intermediate rates will be lowered.

Mr. SAMUEL B. HILL. It has not worked out that way so far, and will not.

Mr. GREENWOOD. That was the report by the Interstate Commerce Commission.

Mr. Speaker, I ask that the rule be adopted, in order that this question may be thoroughly discussed in the ensuing general debate on the bill.

[Here the gavel fell.]

Mr. GREENWOOD. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the resolution.

The question was taken; and on a division (demanded by Mr. SAMUEL B. HILL) there were—ayes 155, noes 30.

So the resolution was agreed to.

### THE RAILROADS HAVE BEEN THE GREATEST POSSIBLE BENEFICIARIES OF WATERWAY IMPROVEMENTS FOR NAVIGATION

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. MANSFIELD. Mr. Speaker, a bill is now pending with the Committee on Merchant Marine and Fisheries seeking to consolidate all agencies of waterway transportation with the railroads, and placing them under the Interstate Commerce Commission. The claim is made by the proponents of the measure that the railroads have been subjected to burdensome and unnecessary regulations under the Interstate Commerce Commission, and, therefore, boats engaged in the movement of freight upon our inland waters, and also ships under American registry transporting our commerce upon the high seas should also be subjected to the same harsh methods of regulation.

It is not my purpose to discuss at this time the supposed merits or demerits of this proposed law. I do propose, however, to discuss some of the misleading propaganda that is now being urged as a reason for its enactment. For the past 10 years the country has been literally covered with propaganda to the effect that the railroads have been heavily taxed to build highways, and to improve waterways for the free use of their competitors which are virtually untaxed, while the railways themselves receive no benefits from such Government subsidies. A review of the facts will show how much truth there is in these contentions.

It is true that the railroads are taxed, and that a portion of the taxes paid by them is used for building and maintaining highways over which trucks and busses operate. It is also true that rivers and harbors have been improved and maintained from general taxation, and that they are used by boats in moving commerce, some of which may be in competition with the railroads.

I shall not at this time discuss the question of transportation over our highways as the trucks and busses have already been placed under the Interstate Commerce Commission. I

will, however, give a brief comparison of the taxes paid by trucks and railroads, respectively.

The taxes paid by the railroads in 1933 amounted to $249,623,198. This included all taxes paid to the Federal Government as well as those paid to the respective States, counties, cities, and local taxing districts throughout the country.

During the same year—1933—the trucks paid a total tax of slightly more than $303,000,000. This included excise taxes paid to the Federal Government, and also ad valorem taxes paid to the States, counties, municipalities, and taxing districts. It also included gasoline and license taxes.

The railroads are valued at $26,000,000,000. The taxes paid by them is the equivalent of about 95 cents on the $100 valuation. It is impossible to ascertain the value of the trucks, but in any event, the taxes paid by them amounts to several dollars on the $100 valuation.

The taxes paid by the railroads consist principally of ad valorem taxes paid to the respective States and their subdivisions. Only a very small proportion of it goes into the Federal Treasury. River and harbor improvements are paid for out of the Federal Treasury, to which the railroad contribution is infinitesimal.

If Congress should stop all river and harbor improvements entirely and allow them to deteriorate into total ruin, it would not diminish the taxes paid by the railroads to the extent of one mill. They would continue to be taxed just as they are now, but in such event they would be deprived of the enormous amount of business they are now receiving on account of the improved waterways.

A letter from General Brown, as Chief of Engineers, on December 16, 1932, shows that the total expenditures for river and harbor improvements from the beginning of our Government to June 30, 1932, amounted to $1,355,877,301.32 The statement is as follows:

| | New work | Maintenance |
|---|---|---|
| Atlantic coast harbors | $276,208,555.85 | $83,627,913.57 |
| Gulf coast harbors | 85,811,659.54 | 51,843,300.30 |
| Pacific coast harbors | 67,864,446.37 | 26,316,488.76 |
| Mississippi River system | 377,227,994.18 | 61,174,183.25 |
| Intracoastal waterways | 47,818,948.41 | 8,746,083.35 |
| Great Lakes | 154,798,520.23 | 40,569,220.84 |
| Inland waterways | 38,402,939.10 | 17,137,604.55 |
| Hawaii harbors | 9,410,648.78 | 616,611.79 |
| Alaska harbors | 1,614,388.19 | 315,608.61 |
| Puerto Rico harbors | 2,671,061.57 | 529,429.66 |
| Sacramento River, Calif. | 381,814.93 | 2,789,879.49 |
| Total | 1,062,210,977.15 | 293,666,324.17 |

This statement did not include expenditures for flood control on the Mississippi and Sacramento under the Flood Control Act, nor expenditures at Muscle Shoals for military purposes.

The statement shows a total expenditure of $1,355,877,301.37, of which $802,197,863.06 were upon seacoast and lake harbors and channels, including Hawaii, Alaska, and Puerto Rico, and only $553,679,438.26 upon rivers and intracoastal channels. These expenditures were made during a period of about 125 years, and approximately 67 percent of the total was upon coastal harbors.

The improvement of our seacoast and lakes harbors has practically very little bearing upon inland transportation by water. Out of a total of more than 200 such harbors only a small number is connected with the interior through rivers on which freights are transported. All these harbors, however, have interior connections through rail lines. Some of our principal ports have interior connections through 15 to 20 lines of railroad.

Our harbors are the connecting links between the ships and the railroads and are equally beneficial and necessary to both. It is there that the trains meet the ships, and their loads are transferred back and forth from one to the other. If such improvements constitute a subsidy to the ships, they also constitute an equal subsidy to the railroads.

Several lines of ocean ships engaged in the coastwise trade are owned and operated by railroads. The Morgan Line, for instance, is a part of the Southern Pacific System. It operates between Gulf and Atlantic ports and, like other boat lines, has the full benefit of the free use of those ports maintained at Government expense.

The railroads also get the benefit of our improved harbors in the operation of their car-ferriage boats. These boats are operated by the railroads to some extent in nearly all the major ports of the United States. A large number of harbors on the Great Lakes have been improved by the Government almost exclusively for railroad use in transporting their loaded cars by boat. Congress has willingly provided the necessary waterway improvements for this purpose in order to facilitate the systematic movement of our commerce, whoever the carrier may be.

The car-ferriage traffic of the railroads over our improved waterways has become so enormous that a few illustrations may be of interest.

The great port of New York includes several hundred miles of docks, wharves, and navigable channels. Some of the different branches of the harbor are as follows: Bay Ridge and Red Hook Channel, Gowanus Creek, East River Channel, Newtown Creek, Buttermilk Channel, Wallabout Channel, Upper Bay Channel, Hudson River Channel, New York and New Jersey Channels, and Harlem River Channel.

On these 10 branches of New York Harbor improved by the Government, the car ferryboats operated by the railroads in 1930 carried freight valued at $14,560,005,900. This constituted more than 50 percent of the total commerce on those channels, the traffic handled by the ships being valued at $13,224,034,207. Baltimore, Norfolk, New Orleans, San Francisco, and various other ports have had large volumes of car-ferriage traffic. At Galveston, the Government maintains a channel to Bolivar Peninsula for the exclusive use of the railroads in ferrying loaded cars to and from the piers on Galveston Channel.

The harbors of New Orleans and Key West, improved by the Government, accommodate railroad car ferry ships operating to Habana, Cuba, the loaded cars being switched to the rail lines at either end of the water haul.

The railroad car ferriage traffic on the Great Lakes has assumed large proportions. At Manistique in 1934 it was valued at $16,808,300, while the freights handled by other boats amounted to only $166,700.

At Kewaunee the car-ferriage traffic was valued at $36,800,200, and all other boat traffic was valued at $22,150.

At Frankfort the car-ferriage traffic was $113,989,100, and other boat traffic only $64,700.

Through Sturgeon Bay Canal the car-ferriage traffic amounted to $16,911,200, and all other boat traffic was $907,200.

Similar conditions exist at Menominee, Manitowoc, Grand Haven, Muskegon, and other ports. At the great port of Milwaukee the railroad car ferriage traffic amounted to $139,501,800, while all the other boat traffic was $98,637,300. At Rochester the car-ferriage traffic exceeded that of all other boats to the extent of approximately $1,000,000.

The normal commerce on the Great Lakes, other than that handled by the railroad-car ferryboats, is about 100,000,000 to 120,000,000 tons. Those freights are handled by rail at both ends of the line. The bulk of this traffic consists of ore, coal, wheat, and fluxing stone, in the order named. It is all delivered to the boats by the railroads and delivered back to the railroads at the end of the water haul.

The railroads receive about 10 mills per ton-mile on these freights and the boats 1 mill per ton-mile. Without the cheap water haul for a great distance over the Lakes, none of this traffic would ever have been available to the railroads, with the possible exception of wheat, which may have moved by rail. These ports where all those bulk commodities are transfered back and forth between the water and rail hauls, have been far more beneficial to the railroads than to the boats.

The car-ferriage traffic on the Great Lakes was inaugurated in 1892 by the Ann Arbor Railroad Co. The first trip was between Frankfort, Mich., and Kewaunee, Wis. The service on Lake Michigan is now said to be the most extensive of its kind in the world. Trains arriving at a port on one side of Lake Michigan, the loaded cars are switched onto a huge ferryboat and conveyed across the Lake, a

distance of 60 to 120 miles, where they are switched back to the rail lines and continue their journey. The Government dredged and maintains the channels through which these boats operate. The savings to these railroads on account of this service runs into many millions of dollars each year.

The Board of Engineers of the War Department and the Bureau of Operations of the United States Shipping Board report that in 1930 four ferries were operated between Grand Haven and Milwaukee by the Grand Trunk Railway; nine between Ludington and Milwaukee, Manitowoc, and Kewaunee by the Pere Marquette Railway; six between Frankfort, Menominee, and Manistique, Mich., and between Frankfort, Manitowoc, and Kewaunee by the Ann Arbor Railroad.

Railroad ferry lines are also operated between Ashtabula and Port Maitland, between Ashtabula and Port Burwell, and between Conneaut and Port Stanley and Rondeau Harbor.

Between Detroit and Windsor six car-ferry lines are operated by four railroads—one by the Grand Trunk, two by the Wabash, two by the Canadian Pacific, and one by the Pere Marquette. These ferries are also extended to passenger-train service, including their loads of baggage, express, and United States mails.

Car ferries also operate across the Straits of Mackinac, the St. Clair River, Lake Ontario, and the St. Lawrence River, several of them including passenger-car and mail service for the railroads.

These railroad ferryboats are of steel construction, with capacity for 20 to 30 loaded cars, and now carry from 15 to 20 automobiles on the bows without loss of space for loaded railroad cars. They are also equipped with comfortable modern passenger accommodations.

These car-ferriage boats have the benefit of continuous service across the lake throughout the year, while all other boats engaged there are forced to abandon service for at least 4 months in the year on account of ice. In all, there are 35 railroad car-ferry lines in operation on the Great Lakes. The boats are the largest type afloat on these waters. They make about 18 miles an hour and the railroads receive all the passenger, freight, express, and mail transportation charges, and the Government dredges and maintains the harbors and channels free of cost to them, the same as it does for all other boats engaged in traffic.

These car-ferry lines are the connecting links for a large number of railroads which are beneficiaries of this service. The volume, Transportation Series No. 1, issued in 1930 by the Board of Engineers of the War Department and the Bureau of Operations of the Shipping Board, on page 407 has the following to say upon this point:

[Transportation on the Great Lakes. Transportation Series No. 1 (revised 1930). Prepared by the Board of Engineers for Rivers and Harbors, War Department, and the Bureau of Operations, United States Shipping Board (p. 407)]

CONNECTING RAILROADS

A map has been prepared especially for this report showing the car-ferry routes on the Great Lakes and the rail lines of which the ferries are connecting links.

At Manistique the car ferries operated by the Ann Arbor Railroad connect with the Manistique & Lake Superior Railway, which in turn has connection with the Minneapolis, St. Paul & Sault Ste. Marie Railway (Soo Line). Practically all of the car-ferry commerce at this port is received from and delivered to the latter railroad. At Menominee the Ann Arbor ferries make connection with the Chicago & North Western Railway, the Chicago, Milwaukee, St. Paul & Pacific, and Wisconsin & Michigan Railroads. At Kewaunee the Ann Arbor and Pere Marquette ferries have connection with the Kewaunee, Green Bay & Western Railroad, which in turn connects with the Chicago & North Western; Chicago, Milwaukee, St. Paul & Pacific; and the Green Bay & Western at Green Bay. Manitowoc is the eastern terminus of a branch of the Soo Line, and has direct connection with the Chicago & North Western. Indirect connection at this port is had with the Ann Arbor and the Pere Marquette Railroads via car ferries from Frankfort and Ludington, respectively.

At Milwaukee the Pere Marquette car ferries from Ludington and those of the Grand Trunk from Grand Haven, have connection with the Chicago, Milwaukee, St. Paul & Pacific, Chicago & North Western, and Soo Line. The Michigan Central and Pennsylvania Railroads serve Mackinaw City and the car ferries of the Mackinac Transportation Co. make connection with the Duluth, South Shore & Atlantic Railway at St. Ignace.

The Pere Marquette and the Canadian National Railways reach Sarnia, Ontario, and the car ferry operated by the former railroad connects with this carrier at Port Huron. Windsor, Ontario, is reached by the Pere Marquette, Wabash, and Grand Trunk Railways and the Canadian Pacific Railroad. The car ferries owned by the first three-named carriers connect with these railroads at Detroit. The Canadian Pacific ferries make connection with the Wabash at Detroit.

Two of the car ferries operating across Lake Erie, indirectly connect the Pennsylvania and New York Central Railroads at Ashtabula, with the Canadian Pacific at Port Burwell, and the Toronto, Hamilton & Buffalo Railway at Port Maitland, Ontario. Conneaut is reached by the Bessemer & Lake Erie Railroad and the car ferries of the Marquette, and Bessemer Dock & Navigation Co., operating from this port, make connection with the Pere Marquette at Rondeau, and the London & Port Stanley Railway at Port Stanley, Ontario.

The car ferries operating across Lake Ontario connect with the Buffalo, Rochester & Pittsburgh Railway at Charlotte (Rochester) on the American side and with the Canadian National Railways at Cobourg on the Canadian side. Ogdensburg is served by the New York Central, which connects with the Canadian Pacific at Prescott, Ontario, via car ferry.

A study of the question will convince anyone that our expenditures for waterway improvements for navigation have been of tremendous benefit to the railroads. Any statements by their officials to the contrary are merely for the purpose of gaining public sympathy in an effort to secure further subsidies. Even inland navigation has been greatly beneficial to the railroads as the unimpeachable record will show.

The greatest volume of inland water transportation has been in the Pittsburgh district, on the Allegheny, Monongahela, and upper Ohio Rivers. That is also the zone of the greatest density of rail traffic. The water-borne commerce of that district increased from 9,000,000 tons in 1900, to 40,000,000 tons in 1925. During the same period, the rail traffic increased from 57,000,000 tons to 173,000,000 tons. The cheap water transportation of raw bulk materials, built up great industries which produced many millions of tons of steel and other products which moved by rail, and at great profit to the railroads.

LONG- AND SHORT-HAUL RATES

Mr. GREENWOOD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 3263) to amend paragraph (1) of section 4 of the Interstate Commerce Act, as amended February 28, 1920 (U. S. C., title 49, sec. 4).

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 3263, with Mr. WILCOX in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. PETTENGILL. Mr. Chairman, I yield myself 30 minutes.

Mr. Chairman, this is a bill of great public importance. It is an unusual bill in the sense that it is only a page and a half long, and yet a good deal of study and patience is necessary to understand its application to the complex structure of American agriculture, industry, and transportation.

There is probably no man living who could answer offhand all the questions which might be asked as to the detail application of the bill. For 49 years a Chinese maze of court decisions, rules, regulations, tariffs, and rate structures have grown up around the subject. And so, instead of becoming lost in a maze of detail, I shall attempt to sketch the subject in broad outline against the background of the common welfare of the Nation as a whole. Outside of passenger traffic, now two-thirds gone, railroads exist only to move goods from producer to consumer. The interests of shipper, buyer, and carrier are interwoven. The welfare of each is, in the long run, the welfare of all.

So, at the beginning, let us remember that this is essentially a shippers' bill and not a railroad bill. It originated as a shippers' bill, having been written and first sponsored by the National Industrial Traffic League, representing some 600,000 shippers throughout the Nation. As shippers, why

did they sponsor it? Only to reduce distribution costs, broaden markets, and quicken service. Shippers are not interested in railroads, as such. Their prime interest is to reduce costs to the buyer and thus enlarge the markets of the producers of the Nation.

Let us get this point straight. Practically every petition for relief against the long- and short-haul clause as now written, filed with the Interstate Commerce Commission, is filed only because some shipper asks the railroads how he can move goods into a market foreclosed to him by transportation costs.

Let me give two or three illustrations. Some years ago the newsprint industry of northern Michigan and surrounding territory wanted to get newsprint to the newspapers of the South to meet the competition of newsprint entering those markets by water, from Nova Scotia and Scandinavia. Unless they could meet the delivered price of their foreign competitors they would lose that market. They asked the railroads to obtain fourth-section relief. The railroads applied. The Commission denied the application and American workmen and capital stood idle.

Another illustration. I am told that Australian and Argentine wheat is now coming into the Southeast and American wheat from our Northwest is precluded from that market because the fourth section prevents the railroads from quoting Northwestern farmers freight rates that will permit them to move wheat to Florida and the Southeast in competition with wheat from abroad.

One more illustration from hundreds that might be given. The beet-sugar industry of Colorado and the West favors this bill. Why? Because they want to enter the great consuming markets of the East in competition with sugar that moves by water from Cuba and the Philippines.

This ought to make plain why occasions arise when railroads ought to be permitted to charge less for the long than for the short haul. Those occasions arise only when competitive conditions exist at the point of destination which make it necessary, in the interests of shippers and buyers, to do so. Otherwise, speaking broadly, freight rates ought to be in rough proportion to length of movement. But in quoting less for the long than for the short haul, when that is necessary, railroads do only what practically every producer does. Few people do all their business on the same margin of profit. They sell first where they can sell to the best advantage and then they sell their surplus for whatever they can get for it, provided it yields some profit, however small.

Railroads sell surplus transportation in the same way that producers sell surplus goods. The principle is exactly the same whether newsprint, wheat, or beet sugar. A truck farmer close to a county seat will haul tomatoes into that market two trips a day. His surplus tomatoes he will haul into the next county seat, one trip a day. His margin of profit is different at the two points. He gets less for the long than for the short haul. But he is glad to get into the distant market, even at a small profit. It helps carry his overhead of labor, taxes, interest, and so forth. But he could not exist if he had to sell all his goods at the margin prevailing at the distant point. No more can the railroads.

If the farmer had no wagon of his own to carry his tomatoes, he would ask some truckman to shave his price for carrying the produce to a distant market. If the truckman did not help him share the differential between the two markets he might not be able to enter the market at all, and his surplus tomatoes would rot on the ground, as surplus freight cars now rust on the tracks.

A like principle is involved in the American farmer getting what he can in the domestic market and then shipping his surplus to foreign markets for a less margin of profit. Again he gets less for the long than for the short haul, but if the price for all farm products was that which obtains in the foreign market he could not carry on at all.

Even goods nationally sold at a uniform price, for example, the Saturday Evening Post, do not and cannot yield the same profit delivered at Seattle as in Philadelphia.

The bill therefore is designed to do what shippers, notably agriculture, have clamored for for years, that is, reduce distribution costs, broaden markets, foster competition, and increase the standards of living of all our people through reducing the cost of living and increasing the total volume of goods consumed by reducing unit costs. The bill in its long-run effect cannot but tend to reduce freight rates generally and thus benefit 125,000,000 people by bringing the power to consume into better balance with our power to produce, which is our prime problem today. [Applause.]

If you are looking at the interests of the Nation as a whole, rather than the competitive position of some manufacturer or jobber of whetstones who wants his competitor eliminated from some market by prohibitive transportation costs, vote for the bill. The railroads and their workers can gain only if the Nation gains; that is, more goods moved from factory and farm to more consumers at less cost, in less time, and with less wear, tear, and damage, and moved by a carrier that pays more taxes and the highest wages of any transportation agency.

The fourth section was first written in 1887, in the first bill placing railroad rates and practices under Federal supervision. At that time the railroads enjoyed a practical monopoly of the transportation services of the Nation, and, as always happens when monopoly is unregulated, serious abuses prevailed with respect to secret rebates and discriminations between shippers and localities; I do not defend those abuses then and would not tolerate them now. But to carry over into conditions today the justified resentment and prejudice against railroad management that arose at that time is as foolish as keeping alive the passions that arose in the always to be regretted War between the States. We ought not to penalize shippers and railway employees of today with the inherited prejudices of a generation ago. Except for this inheritance, plus the rigidity of thinking that has prevented an open-minded approach, I am confident we would have long ago given the shippers and the rail carriers the flexibility necessary to keep pace with the increasing tempo of twentieth century civilization. [Applause.]

In 1910 the fourth section was tightened up, and in 1920 the screws were turned once more. For the moment let me pass over those technical changes and consider the situation as we find it today.

In 1887 the railroads had a monopoly, and abused it. Today there is no monopoly.

Since the fourth section was written the Panama Canal has been dug. Since then pipe lines have entered the transportation field. Since then electricity has learned to move "coal by wire", and Government-financed hydro projects are eating into the soft-coal industry, whose product once moved by rail. Since then hundreds of millions of tax money have been spent on river and harbor development. Since then the Federal Government has itself become a common carrier competing with the railroads, with its barge lines on the lower Mississippi, which are now to be extended on the upper Mississippi and Missouri Rivers. Since then Federal tax money has laid its ribbons of concrete in nearly every county of the Republic, upon which some 25,000,000 motor vehicles now move daily in the carriage of passengers and freight. Since then aviation has invaded the transportation field, aided by Federal subsidies. Since 1887, when the fourth section was first written, it is computed that the Federal Government alone, exclusive of States, has poured $4,841,000,000 into these competing agencies and their rights-of-way for which, except for the Panama Canal, they pay nothing. A substantial fraction of that enormous sum has come from railroad taxation. For the Nation as a whole, 14 percent of railroad taxes go to build highways for their competitors to use. Other railroad tax money goes to subsidize rivers and harbors, merchant marine, and aviation. Meantime no aid has been given to the railroads, other than R. F. C. loans, to be repaid with 4-percent interest, to bail them out of the bankruptcy courts into which the Government has itself been pushing them.

It is true that in the early days railroads, particularly the transcontinental lines, were also subsidized by the grant of

lands from the public domain, lands which were worthless both to the Government and the railroads until the railroads themselves made them valuable. But with respect to these old Federal subsidies in aid of railroad development, it is to be pointed out that in consideration of them the railroads entered into perpetual contract with the United States Government to carry troops and munitions of war at half price. But with reference to these other subsidies, the recipients are under no obligation to the Nation. With them it has been more blessed to receive than to give.

We now have five large agencies of transportation, whereas in 1887 the railroads had a practical monopoly. These five are the railways themselves, pipe lines, waterways, highways, and airways. Of the five, the railroads alone are hamstrung with the long- and short-haul section. While they struggle to obtain relief from it, their competitors take their customers from them. They are like fighters in the prize ring, with one fighter's hands tied behind his back while his antagonist is free to cut him to ribbons. Looking, therefore, at the whole national picture rather than the interest of any transportation agency, I submit that the railroads are entitled to have these legislative handcuffs removed in the interest of moving goods from producer to consumer.

Neither the truck-and-bus bill of last summer nor the water-carrier bill now pending puts these competing agencies under the long- and short-haul restriction. It is literally true that a shipload of lumber can be legally moved from Seattle to Boston for less than from Seattle to Portland, if necessary to prevent the railroads from getting the traffic.

Mr. Eastman has suggested that the way to do equity among rails, ships, and trucks is to place them all under the long and short haul. The ships and trucks would object to this violently. Moreover, for trucks and ships the idea is wholly impracticable, for the reason that they are not tied to fixed routes and so could circumvent the law if applied to them.

To carry over the fourth section into the highly competitive transportation conditions of today is a legislative anachronism.

No one, of course, can attribute the plight of the railroads to the fourth section alone. Nor would I give the railroads a single legislative privilege over competing agencies. I would, however, remove the legislative advantage which competing agencies now have over railways, because they are free from the fourth section and the railroads are bound and hampered with it.

As Commissioner Eastman has said, "No public regulation should be provided merely for the purpose of protecting one form of transportation against another."

Despite the remarkable recovery which the Nation as a whole has had since the low point of 3 years ago, the Nation's largest industry is the Nation's sickest industry. You are bound to consider its welfare with the welfare of other interests. The cold hard fact is that more railway mileage went into bankruptcy and receivership in 1935 than in any year in the history of the Republic, not excepting the panic of the early nineties. Their ability to move goods, to buy goods, to employ men, to pay taxes, and to maintain service is a matter of grave concern. The contagion of railway sickness is a slow paralysis that creeps over the entire Nation.

In normal times the railroads buy everything from pins to locomotives. When they are not in the market for goods business and employment stagnate. Twenty-six railroads alone out of 800 buy from 7,816 companies in 1,661 towns in all the States.

The roads normally buy one-fifth of all the coal, iron, steel, and forest products of the Nation. To further itemize their contribution to national welfare the roads are normal buyers of $2,000,000 worth of linen and cotton sheets. Another $1,000,000 goes for crockery, another $2,000,000 for gasoline, and so on for thousands of items. From 1923 to 1934, good years and bad, railways spent for material and supplies $13,274,211,000, and in the same period for permanent betterments and additions to plant $7,587,481,000, a total of $20,861,692,000. All this is exclusive of pay rolls, taxes, and returns to capital, easily twenty-five or thirty billion more. These expenditures contrast with the relief appropriations with which we are trying to conquer the depression.

The importance of the railways as taxpayers is not to be overlooked. They normally pay for the support of Government $1,000,000 a day. Forty-six percent of this went to support public schools, 14 percent went to build highways for their competitors to use. Out of every gross dollar of revenue water carriers pay to support Government nine-tenths of 1 percent. Railroads pay 8 cents, or nine times as much.

The repeal of the long and short haul simply places the railroads on terms of competitive equality with other carriers—no more, no less. Other sections of the interstate commerce clause remain in full force and effect to prevent discrimination against shippers, localities, or competing carriers. The burden of proof to justify proposed rates remains on the railroads. But the repeal will give the railroads a chance to fight for their economic lives on an equal field. After that, let the best man win.

It is time to give the roads a chance to put back to work thousands of the best workingmen in America, both in transportation and in the durable-goods industries and the coal mines where the bulk of today's unemployment exists.

We have, as President Roosevelt once said, "a human as well as an economic problem." Railroad workers are home owners and community builders. Seven hundred thousand have been dismissed, many of them past the industrial dead line, forbidding their reabsorption in other employment. I speak for them and their families—your neighbors and friends. It is time to see that more of them are not pushed onto the industrial scrap heap because their chance to earn their daily bread has been taken away from them by competing transportation agencies, subsidized from the Public Treasuries, and free to run wild. [Applause.]

We have a duty to consider the welfare of railway workers equally with all other workers. Their record of service and citizenship entitled them to not be the "forgotten man" of recovery legislation.

Let me tell you something. Last year the 800 class 1 railroads of America did not lose the life of a single passenger in a passenger-train accident. That would be remarkable for any one of the 800 roads. For all 800 it is almost incredible, but it is true. It is one of the greatest epics of American business. Because of it a million men are entitled to honor—the man at the throttle, the brakeman, the conductor, the man in the signal tower, the unsung hero in jeans who in sleet and snow and fog and flood kept straight the track for the "iron horse." This was all done under the most adverse circumstances. All roads were in financial difficulty, many in actual bankruptcy, all economizing every cent of shrinking revenues.

At a time when it is popular to charge large-scale enterprise with piling up profits at the expense of human lives, I am glad to say in rebuttal that last year our railroads delivered every one of their passengers safely to their homes.

The total was 18,000,000,000 passenger miles without the loss of a passenger. Let me translate that for you. It is equivalent to carrying every human being on the globe 1 mile and then the inhabitants of eight other planets equally populated, if any. In terms of 1 passenger it would take him to the moon and back 47,000 times, or every day for 130 years.

It is time to stop kicking the railroads around.

While the railroads were making that marvelous record, trucks, busses, and private automobiles sent 36,000 Americans to their graves, many of them killed by drunken drivers who warm up their morning hates by cussing and damning the railroads.

In saying this I wish again to emphasize that we ask no favors for the roads. We ask only for fair play on an equal field. Water carriers and trucks and busses all have an important part to play. Each is fitted to perform some service best. I believe the rails, trucks, and ships will be coordinated as we progress. The trucks can best handle a great deal of short-haul traffic. They will take the place of railroad spurs and branch lines. In fact, 11,000 miles of rail

trackage has already been abandoned—enough to cross the continent three times and more. The rails are now using the trucks for pick-up and delivery service. But for certain forms of transportation, especially long hauls of fast-moving freight, the railroads are indispensable to the prosperity of the entire Nation as well as its defense in time of war. Note page 8 of the report, what the rails would be required to do to protect the west coast if we ever have trouble on the Pacific. In time of emergency it is the rails that "carry on."

It may be asserted that if the bill passes, ancient abuses will reoccur. They cannot under competitive conditions. Again quoting Mr. Eastman, "The ability of the customer to use alternative modes of transportation" imposes a limitation upon railroad rates and practices that cannot be disregarded. Even if there were no law, competition today would free customers of transportation from the necessity to submit to abuses.

Nevertheless, the law against abuses remains in full force and effect. See pages 2, 3, and 4 of the report. I challenge any opponent of this bill to point to any possible abuse for which a legislative remedy is not fully available.

The bill simply gives the roads the right to file proposed rates for all shipments, the same as they now do for every shipment in which the long and short haul is not involved. All rates will be handled in exactly the same way. If there is no objection, the rates go into effect in 30 days instead of waiting months and years for I. C. C. approval—often denied. If there is objection, the bill puts on the rails the burden of proof to justify the proposed rate as fair, just, reasonable, and nondiscriminatory within the other provisions of the Interstate Commerce Act, all of which remain in full force and effect. Even if there is no objection, the Interstate Commerce Commission may suspend the proposed rate on its own motion and may fix maximum and minimum rates as they do in all other cases. The public interest remains fully protected. The Commission will continue to have full power to prevent the rails from doing anything that Congress ever intended they should not do. This is expressly admitted by Mr. Eastman.

Let us give the roads and those who use them a new deal and a square deal from the Government. [Applause.]

The following is a list of large shipping organizations supporting the bill:

American Fruit and Vegetable Shippers Association, Chicago, Ill.
Utah Coal Operators Association, Salt Lake City, Utah.
Radio Steel & Manufacturing Co., Chicago, Ill.
Williams Traffic Service, Inc., New York City (traffic managers for about 500 shippers and receivers of merchandise).
Indiana Limestone Corporation, Bedford, Ind.
Furniture Manufacturers Association, Evansville, Ind.
Winerich Motor Co., Corpus Christi, Tex.
Two States Fruit Package Co., Texarkana, Tex.
San Jose Tractor & Equipment Co., San Jose, Calif.
Valley Meat Co., Marysville, Calif.
Glass Wholesalers Association of Southern California, Los Angeles.
West Coast Lumbermen's Association, Seattle, Wash.
Valley Oil Co., Adrian, N. Dak.
Transportation Club of Des Moines, Iowa.
J. I. Case Co., Racine, Wis.
Oregon Fuel Merchants Association, Portland, Oreg.
Commercial Traffic Managers of Philadelphia.
Cincinnati Traffic Club, Cincinnati, Ohio (440 members).
Miami Valley Traffic Club, Dayton, Ohio (275 shippers and railroad men).
Aaron Ferer & Sons, Inc., Omaha, Nebr.
Florida Citrus Exchange, Tampa, Fla.
Pacific States Cast Iron Pipe Co., general office, Provo, Utah (city office).
Yakima Valley Traffic and Credit Association.
Wenatchee Valley Traffic Association, Wenatchee, Wash.
Metropolitan Traffic Association, New York City.
Traffic department St. Paul Association of Commerce.
Jacksonville (Fla.) Warehousemen's Association.
Traffic bureau, Chamber of Commerce, Sioux Falls, S. Dak.
Tripp (S. Dak.) Commercial Club.
Chamber of Commerce, Alexandria, Minn.
Cass Lake (Minn.) Commercial Club.
Wilcox Produce Co., Portland, Oreg.
Burton-Walker Lumber Co., Ogden, Utah.
Chamber of Commerce, Needles, Calif.
Chamber of Commerce, Napa, Calif.
Hon. Elmer Holt, Governor of Minnesota, "This bill seems to be of the greatest importance."
Horder's, Inc., Chicago (stationery stores).
Johnson Wholesale Co., Idaho Falls, Idaho.
Progressive Irrigation District, Idaho Falls, Idaho (600 voters in the district).
Hillman Packing Co., Salem, Oreg.
Nelson Brokerage Co. (food products), Los Angeles.
Bullseye Instrument Co.
W. J. Voit Rubber Co., Inc., Los Angeles.
Joseph & Katz (factory agents), Los Angeles.
Findlay Millar Timber Co., Los Angeles.
Henry-Wrape Co., Paragould, Ark.
Claflin Clarion, Clarion, Kans.
Miller Provision & Cold Storage Co., Salina, Kans.
Adrian Equity Elevator Co., Adrian, N. Dak.
Turtle Mountain Cooperative Association, Fort Totten, N. Dak.
Andrews Grain Co., Sykeston, N. Dak.
The Armand Co., Des Moines, Iowa.
F. W. Fitch Co., Des Moines, Iowa.
E. F. Burlingham & Sons (seedsmen), Forest Grove, Oreg.
Amity Seed & Grain Co., Inc., Amity, Oreg.
Spaulding Pulp & Paper Co., Newberg, Oreg.
W. P. Brown & Sons Lumber Co., Louisville, Ky.
Gladding, McBean & Co., San Francisco, Calif.
Elmont Lumber Co., Chicago (purchasers of lumber on Pacific coast).
R. J. Kline, J. P., Butte, Mont.
Cascade Milling & Elevator Co., Cascade, Mont.
Hon. W. E. Martin, mayor of Glendive, Mont.
F. A. East & Co., Hathaway, Mont.
N. M. Jensen, Lindsay, Mont.
Fairmont Canning Co., Fairmont, Minn.
Red Wing Milling Co., Red Wing, Minn.
Garden Vallet Telephone Co., Erskine, Mont.
A. Kaiser, president, First National Bank, Bagley, Minn.
Hon. W. J. Kirkwood, mayor, Crookston, Minn.
Globe Milling Co., Perham, Minn.
Farmers Elevator & Trading Co., Eldred, Minn.
Fostoria Pressed Steel Corporation, Fostoria, Ohio.
John W. Tuthill Lumber Co., Sioux Falls, S. Dak.
A. J. Danks (merchant), Lake Andes, S. Dak.
B. Skidmore (clerk), town of Delhi, La.

The following tables illustrate various phases which I discussed in my speech:

STEAM RAILWAYS OF CLASS I

*Purchases of materials and supplies*

| | |
|---|---|
| 1923 | $1,738,703,000 |
| 1924 | 1,343,055,000 |
| 1925 | 1,392,043,000 |
| 1926 | 1,559,032,000 |
| 1927 | 1,395,928,000 |
| 1928 | 1,271,341,000 |
| 1929 | 1,329,535,000 |
| 1930 | 1,038,500,000 |
| 1931 | 695,000,000 |
| 1932 | 445,000,000 |
| 1933 | 465,850,000 |
| 1934 | 600,224,000 |
| Total | 13,274,211,000 |

*Expenditures for additions and betterments to railway plant*

| | |
|---|---|
| 1923 | $1,059,149,000 |
| 1924 | 874,744,000 |
| 1925 | 748,191,000 |
| 1926 | 885,086,000 |
| 1927 | 771,552,000 |
| 1928 | 676,665,000 |
| 1929 | 853,721,000 |
| 1930 | 872,608,000 |
| 1931 | 361,912,000 |
| 1932 | 167,194,000 |
| 1933 | 103,947,000 |
| 1934 | 212,712,000 |
| Total | 7,587,481,000 |

*Number of employees*

| | |
|---|---|
| 1923 | 1,857,674 |
| 1924 | 1,751,362 |
| 1925 | 1,744,311 |
| 1926 | 1,779,275 |
| 1927 | 1,735,105 |
| 1928 | 1,656,411 |
| 1929 | 1,660,850 |
| 1930 | 1,487,839 |
| 1931 | 1,258,719 |
| 1932 | 1,031,703 |
| 1933 | 971,196 |
| 1934 | 1,007,702 |

*Employees and wages, 1934*

| | |
|---|---|
| Number of employees | 1,007,702 |
| Total compensation | $1,519,351,725 |
| Average compensation: | |
| Per hour | $0.635 |
| Per annum | $1,508 |

*Rates and fares, 1921 to 1934*

| | Freight receipts per ton-mile (cents) | Passenger receipts per passenger-mile (cents) |
|---|---|---|
| 1921 | 1.275 | 3.086 |
| 1922 | 1.177 | 3.027 |
| 1923 | 1.116 | 3.018 |
| 1924 | 1.116 | 2.978 |
| 1925 | 1.097 | 2.938 |
| 1926 | 1.081 | 2.936 |
| 1927 | 1.080 | 2.896 |
| 1928 | 1.081 | 2.850 |
| 1929 | 1.076 | 2.808 |
| 1930 | 1.063 | 2.717 |
| 1931 | 1.051 | 2.513 |
| 1932 | 1.046 | 2.219 |
| 1933 | .999 | 2.013 |
| 1934 | .978 | 1.918 |

*Taxes*

| | |
|---|---|
| 1920 | $272,061,453 |
| 1921 | 275,875,990 |
| 1922 | 301,034,923 |
| 1923 | 331,915,459 |
| 1924 | 340,336,686 |
| 1925 | 358,516,046 |
| 1926 | 388,922,856 |
| 1927 | 376,110,250 |
| 1928 | 389,432,415 |
| 1929 | 396,682,634 |
| 1930 | 348,553,953 |
| 1931 | 303,528,099 |
| 1932 | 275,135,399 |
| 1933 | 249,623,190 |
| 1934 | 239,624,802 |

*Distribution of railway taxes*

| | Per cent |
|---|---|
| Schools | 45.8 |
| Highways | 13.9 |
| Other purposes | 40.3 |

*Car loadings*

| | |
|---|---|
| 1929 | 52,827,925 |
| 1930 | 45,717,079 |
| 1931 | 37,151,249 |
| 1932 | 28,179,952 |
| 1933 | 29,220,052 |
| 1934 | 30,845,960 |
| 1935 | 31,518,372 |

*1935 car loadings*

| | Per cent |
|---|---|
| Grain and products | 5.0 |
| Livestock | 2.3 |
| Coal | 19.5 |
| Coke | 1.1 |
| Forest products | 4.4 |
| Ore | 3.1 |
| Merchandise (L. C. L.) | 25.8 |
| All other products | 38.8 |

*Railway purchase, 1934*

| | |
|---|---|
| Coal and all other fuel | $217,294,000 |
| Forest products (including ties) | 64,271,000 |
| Steel rails | 31,107,000 |
| Other iron and steel products | 128,651,000 |
| Air-brake materials | 9,485,000 |
| Electrical materials | 10,545,000 |
| Automotive equipment and supplies | 2,851,000 |
| Other metal products | 22,482,000 |
| Oils and greases, waste, etc | 13,705,000 |
| Ballast | 6,230,000 |
| Cement | 1,763,000 |
| Painters' supplies and chemicals | 18,062,000 |
| Rubber and leather goods | 4,969,000 |
| Stationery and printing | 12,884,000 |
| Commissary supplies (dining car, etc.) | 11,647,000 |
| Train and station supplies and miscellaneous | 44,278,000 |
| Total | 600,224,000 |

*Rail- and water-carrier taxes*

| | Cents |
|---|---|
| Taxes per dollar of gross revenue: | |
| Rail | 8 |
| Water | (1) |
| Taxes per ton handled: | |
| Rail | 30 |
| Water | 5 |

[1] Nine-tenths of 1 cent.

NOTE.—Authority: Freight-traffic report (1935) of Federal Coordinator Eastman.

(Mr. PETTENGILL asked and was given permission to extend his remarks by inserting the list and tables above referred to.)

The CHAIRMAN. The gentleman from Indiana [Mr. PETTENGILL] has consumed 33 minutes.

Mr. COOPER of Ohio. Mr. Chairman, I yield myself such time as I desire.

The CHAIRMAN. The gentleman is recognized for 1 hour.

Mr. COOPER of Ohio. Mr. Chairman, it would be impossible for me to discuss this measure in the very able way that my colleague from Indiana [Mr. PETTENGILL] has discussed it. I wish I could. I am going to try to express my views on this legislation from the standpoint of a layman—not a lawyer.

I have been a member of the Committee on Interstate and Foreign Commerce for a great many years, and, while I do not know everything about transportation and railroad legislation, yet I do try to inform myself on all these important subjects relating to this question.

Mr. Chairman, I believe we are prone to condemn the railroads for many shortcomings and for their failure to do for themselves those things which might increase their traffic, reduce expenses, and enable them to keep their rates low. We also expect them to get sufficient revenue, out of which they contribute heavily in taxes, to the States and Federal Government, to the extent of about 8 cents per dollar of revenue earned.

We also expect them to employ more than a million workers at good wages under reasonable service and working conditions. We regulate them to the last degree in everything they do. The Federal Coordinator of Transportation, Commissioner Eastman, within the past year has found that water carriers pay taxes representing less than 1 cent per dollar of revenue earned, as compared with 8 cents paid by the railroads per dollar of revenue earned, and that motor transportation contributed in taxes, on the average, of from 2 to 4 cents per dollar of revenue earned. But, out of these low taxes imposed upon motor and water carriers, we provide them with publicly constructed highways and waterways over which they operate.

I have been informed that it costs the railroads more than 30 cents per dollar earned to provide for the maintenance of their tracks and rights-of-way. When we compare this situation confronting the railroads with the benefits which the public gives to water and motor carriers for the few cents they pay in taxes per dollar of revenue earned, this is not an equitable treatment toward the railroads to start with.

It is my opinion that the long- and short-haul clause in the Interstate Commerce Act, to a great extent, prevents the railroads from entering the field of competition with waterway carriers who are practically free of rate regulation, and furnished free harbors and many other benefits at the expense of the taxpayer, which the railroads do not receive. At the present time, by reason of the long- and short-haul clause, the railroads are powerless to protect themselves against their subsidized competitors, who are operating, in some degree, on funds out of the Public Treasury. In other words, the law as it now stands, prohibits the railways from fixing a rate that will give them an opportunity to compete with the motor- and water-carriers.

It is true at the present time the Interstate Commerce Commission is given authority to grant relief to the railroads in special cases and under certain conditions. However, the records show that the law is so administered that not only are there long delays, but also relief is not usually granted which will give to the railroads the right to establish competitive rates low enough to enable them to get a fair share of the traffic available. For example, on iron and steel from the Pittsburgh and Youngstown districts to the Pacific coast, the Commission has refused to permit the all-rate routes to put into effect rates that will equalize the rates—including all incidental charges—applicable, via the routes through the north Atlantic ports and thence via the routes of intercoastal water carriers. This is true of iron and steel from interior mills scattered between Pennsylvania and Colorado. I believe my colleague from Colorado will bear me out in this.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman permit me, since he has mentioned Colorado, to interrupt?

Mr. COOPER of Ohio. Certainly.

Mr. MARTIN of Colorado. I expect in my own time to show that the steel mills in my home city of Pueblo, Colo., cannot even get into Houston, Tex., on a direct rail line.

Mr. COOPER of Ohio. I thank the gentleman for his contribution.

In doing so, the Commission has eliminated many of the interior iron and steel mills.

In like manner, the Commission has refused to permit the railroads to establish rates on iron and steel from Pittsburgh, Pa.; Youngstown, Cleveland, Middletown, Ohio; Chicago, Ill.; St. Louis and Kansas City, Mo.; and the steel mills of Colorado, to Texas gulf ports and adjacent points necessary to meet the competition of water-carried steel from other sources of supply, including foreign countries. In doing so, the Commission has eliminated many of the interior iron and steel mills from the business along the Gulf coast which they formerly enjoyed. These are but typical of hundreds of other industries who are in the same situation which was brought to the committee's attention.

And this accounts for the fact that hundreds of interior industries have dried up since the long- and short-haul clause was put into effect. Today representatives of thousands of industries and communities are demanding that the railroads shall again be given an opportunity of exercising their own initiative in establishing rates, subject, of course, to other sections of the Interstate Commerce Act, which require that all rates shall be reasonable, self-sustaining, and nondiscriminatory. The railway people are constantly on the ground with the shippers and are in a better position to determine what rates are necessary to move traffic. Under the long- and short-haul clause, we have gradually stripped the railways of much of the traffic they formerly handled. We have turned large tonnage over to subsidized forms of transportation which if now regulated at all are subject to no such stringent supervision as the railroads are. In practical effect, to some extent, we give to these subsidized forms of transportation a monopoly of the traffic that they choose to transport. Every railroad employee in the country is requesting the passage of the Pettengill bill, which is now before us for consideration. We are aware that there has been a great reduction in the ranks of railroad employees during the period of the last 5 years. Now I do not claim this heavy reduction in the employment of railroad labor is due to motor and waterway competition entirely. There is no question but what the depression of the last 5 years was a very strong factor in reducing railroad employment. It is my opinion, however, that a substantial part of the reduction in railroad labor at the present time is attributable to the competition of motor and water carriers.

I have a very warm feeling in my heart for railroad labor; and if I may be pardoned a personal reference at this time, for 17 years I sat in the cab of a locomotive and was elected from that locomotive cab to Congress. [Applause.] I know the work of a railroad employee. There are no better, higher-class, more intelligent or patriotic workmen in America today than the railroad employees. [Applause.]

I shall never forget how proud I was after firing a locomotive for 4 years when one Saturday afternoon the assistant foreman of engines came to the locomotive I was firing and said to me: "John, you are up for promotion, and we want you to take charge of a locomotive tomorrow. We will call you in a little later on and give you the examination." It was something I had waited for for 4 long years. I wanted to get over onto the right side of the cab. I see my colleague JOHN MARTIN smiling, because he was a locomotive engineer at one time. [Applause.]

Mr. MARTIN of Colorado. If the gentleman will permit an interruption, I just want to say to him that he would wait 14 years now and then some before promotion came.

Mr. COOPER of Ohio. I remember how I hurried home. There were not many automobiles running in those days, and I had to walk about 3 miles. I went into the house and broke the news to my good little wife. It is not necessary for me to tell you she was pleased and proud. Then I went down town that evening and bought myself a new suit of Sweet-Orr overalls, and a new cap, and a pair of gloves with gauntlets that came way up to my elbows. I got to work an hour before starting time the next morning and put enough oil on that old pot to take it from here to San Francisco and back. [Applause.] Then I went to the telegraph office to get my orders. The operator gave me my orders, and I took them to the engine cab. It was a rule of the company that the fireman had to read the orders out loud to the engineer, so I handed him the orders, and I made him read them to me. That was one of the proudest moments of my life. I have those orders at home. I can tell you what they were. The 31 order was: "277 and 279 will wait at Struthers until 9:10 a. m. for extra 338 east." So you see I have a warm feeling of love in my heart for the railroad workers.

The railway workers are fully aware of the seriousness of competition facing the railroads by other means of transportation, namely, bus, truck, and waterways. They likewise realize that this competition is here to stay, that it is permanent. They have no desire to impose any unfair regulation or the destruction of this competition. I believe in water transportation, it has its place in our economic life. All they request is justice and fair play from Congress and an opportunity to meet their competitors on fair and equal footing and thereby be assured of their positions, which will enable them to make an honest living for themselves and those dependent upon them.

It is time that Congress gave to the railroads, their employees, the shippers, and the communities dependent upon them, a square deal and an equal opportunity to share in the movement of commerce in all parts of our country, and this we can do by providing more equitable and fairer regulation. The enactment of the Pettengill bill, which is now before us, is a step in this direction. [Applause.]

Mr. RAYBURN. Mr. Chairman, I yield 10 minutes to the gentleman from Virginia [Mr. BLAND].

Mr. BLAND. Mr. Chairman, I shall not attempt to vie in eloquence with the distinguished gentleman from Indiana [Mr. PETTENGILL], who would have swept us off our feet by his stirring appeal in behalf of the railroads. I have no quarrel with the railroads. I have no complaint of the workmen on the railroads. I shall not try to take you on a transportation trip to the moon or parts away from this mundane sphere. I want to discuss with you for a little while this bill and the effect of this bill upon the shippers of the country.

I agree with the gentleman from Indiana that the first consideration for the Members of the House is the best interest of the people of the Nation. Regardless of railroads, regardless of railroad employees, regardless of water carriers, and regardless of seamen on the ships, the first and primary consideration here is the best interest of the shippers of this country.

With this point in view, I want you to consider the bill that you are asked to vote on today. It states:

> That it shall be unlawful for any common carrier subject to the provisions of this act to charge or receive any greater compensation as a through rate than the aggregate of the intermediate rates subject to the provisions of this act.

In other words, Mr. Chairman, the only limitation imposed by this act is that the through rate shall not exceed the aggregate of the intermediate rates. You may take two terminal points, say A and Z. You can run point B up as high as you please. You can run point D up as high as you please. You can come on down through the line and run them up as high as you please, and the only limitation is when you come to the through rate you shall not exceed the aggregate of all these intermediate rates. There is absolutely no limitation on the minimum that may be charged as a through rate to be recompensed by higher rates on intermediate points. As was stated in connection with the rule, there is another important consideration that you must bear in mind, and that is the burden that is going to rest upon the shippers of this country to defend against higher rates. It is said that the burden still rests upon the carriers to justify the rate in the event of an attack. In other words, if on the intermediate line the

rate is increased, the carriers must justify it. But that is only if a shipper, or community, or the Commission itself attacks the rate. The carriers are under no duty to justify the rate as an initial proposition.

What does that mean? It means that the small town that you represent in the interior has to be represented by highly paid attorneys or skilled experts whose duty will be to watch the railroad rates as they are being filed and determine whether or not they are imposing an undue or an unreasonable burden upon that particular town. In other words, each community must be on guard. The Interstate Commerce need not do that work. It has many other things to do. That Commission is handling thousands of rates. Applications are coming in all the time from every source and of every conceivable character. Before you know it the rates are going to be increased to points in the interior. How are you going to escape that?

The gentleman from Indiana, notwithstanding his eloquence, admitted that a short time ago—I think in 1935—there was more railroad mileage in bankruptcy than at any other time in the history of the country. Are they going to make this up out of the water-borne commerce if they get all of this water-borne commerce? If they do get the $40,000,000 which is paid for water-borne commerce carried through the Panama Canal, what will that mean? It is not more than a drop in the bucket when we consider the railroads' gross revenue of $3,000,000,000. How are the railroads going to escape getting in the red and keeping in the red except by raising the rates to intermediate points? Especially is this true if they are going to bring the rates down at the more distant points to meet water-borne competition. That is all there is to this matter. The carriers wish to escape the necessity of justifying these rates when they put them in.

Mr. Chairman, what treatment have they received from the Interstate Commerce Commission? According to the arguments which have been made here today, the bill that is introduced should not be a bill to abolish the long and short haul. It should be a bill to reorganize the Interstate Commerce Commission and remove this agency that they say is imposing upon them these unreasonable burdens. I can state you case after case in which the contrary is true. Take the rates on citrus fruit from Florida. The Interstate Commerce Commission reduced the rates for the railroads to meet the competition of water carriers, even going to the extent of reducing the rates on the day when the vessels of water carriers are at the docks and then increasing the rates on other days. They say themselves that the Commission has ample power now to meet the long- and short-haul provision. Mr. Eastman said, when he appeared before the committee, that relief had been granted in 120 out of 150 cases that had been before the Commission.

Take the case of the rates in the Mississippi Valley. From New Orleans to Chicago the distance is 900 miles; there is water transportation as well as rail transportation. The Interstate Commerce Commission has permitted the rail lines to make a rate on sugar of 34 cents per 100 pounds, or 7.5 mills per ton-mile, from New Orleans to Chicago, while from New Orleans to Kansas City, a distance of 866 miles, the Commission has allowed the rail lines to charge a rate on sugar of 65 cents per 100 pounds, or 15 mills per ton-mile. From New Orleans to Dubuque, Iowa, a distance of 1,000 miles, where there is water transportation, the Commission has permitted the railroads to publish a rate on sugar of 38 cents per 100 pounds, while from New Orleans to Des Moines, Iowa, a distance of 1,016 miles, where no water transportation exists, the Commission has allowed the railroads to charge a rate on sugar of 65 cents per 100 pounds, or 12.8 mills per ton-mile, which is 67 percent higher than the rate to Dubuque. In other words, the railroads are being permitted to meet this water competition. Coordinator Eastman stated that the Interstate Commerce Commission, in 120 cases out of 150 cases brought before it, had granted relief to the railroads because of water competition.

[Here the gavel fell.]

Mr. RAYBURN. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. BLAND. Mr. Chairman, I wish to call attention to the unemployment of railroad employees and what the trouble is there. The trouble is not with the water-carrier transportation. Railroad employees attach the decline in railroad tonnage and revenues since 1929 to the long and short haul. They disregard the economic depression and inroads made by the motor trucks. They did not complain in 1929 of the long and short haul in the act. Let us look at the figures, as shown on page 700 of the record.

The railroad employees in 1910 numbered 1,699,420. This number increased to 1,785,803 in 1917, or an increase of about 100,000, while they fell back in 1929, the year of our greatest prosperity, to 1,694,042, or 5,000 less than in 1910. The ton-miles of revenue freight carried—in millions—were 255,017 in 1910, 398,263 in 1917, and 450,189 in 1929. The number of ton-miles per employee, measured in ton-miles per employee, increased from 150,000 in 1910 to 223,005 in 1917, and to 265,748 miles in 1929. In other words, while the ton-miles of freight revenue carried almost doubled from 1910 to 1929, the personnel decreased by 5,000. It is obvious that the decline in jobs, the loss of positions, the placing of employees out of work, has not been due to the long and short haul, but to efficiencies in operation and to economies on the part of the railroads.

The number of ton-miles per employee increased from 150,000 in 1910 to 223,005 in 1917, and to 265,000, or an increase of 115,000 miles. Is this due to the long and short haul?

Mr. Chairman, the Interstate Commerce Commisison, if it is not sufficiently protecting the railroads, can change its organization, but, as I have said, in 120 cases out of 150 they have granted relief. They have granted it in the steel case; they have granted it in the citrus case; they have granted it along the inland waterways. This measure means not alone the destruction of the carriers on the Panama Canal but it means the destruction also of water-borne commerce on the coast and the inland waterways. Are you willing to trust the railroads, when competition is destroyed, not to increase their rates and return to many of the conditions which existed in 1887? Upon their own confession the railroads are now facing bankruptcy. How is it possible for them now to reduce their rates to the more distant point without increasing their rates to the intermediate points in order to take care of additional losses?

This, gentlemen, is the crucial question before you, Are you willing to saddle upon your respective communities in the interior the burden of watching these schedules as they are submitted by the railroad carriers to see what additional burden is going to be placed upon that community? Are you willing to place upon your district the burden of employing highly paid lawyers or experts to defend you from these burdens? The average lawyer and the average man on this floor will find it about as difficult to read and interpret rate schedules as it would be for him, if he had never studied Greek, to undertake to read the work of Xenophon with only a Greek lexicon before him. [Applause.]

Mr. WOLVERTON. Mr. Chairman, I yield 15 minutes to the gentleman from Wisconsin [Mr. WITHROW].

Mr. WITHROW. Mr. Chairman, I am interested in the passage of this legislation, particularly from the viewpoint of the railroad employee. The loss of business by the railroads to competitive forms of transportation has been so great that the passage of this legislation is a matter of great concern to all railroad employees.

Railroad employment is only one-half of what it was in 1920. Since 1929 there has been a decrease of 600,000 employees. In 1929 there were more than 1,600,000 railroad employees. Today less than 1,000,000 men and women are employed in railroad service. Men who have worked more than 20 years now find themselves out of service because of a lack in volume of business. These men were trained for railroad work and are at a terrible disadvantage in any other field. They are home owners and citizens of good standing. Their monthly pay is highly important in supporting local merchants and the general community. Surely, they are entitled to fair consideration in maintaining their employment and should be protected by their Government

against unfair trade practices, particularly from the types of competition made potent because their employees on the average receive less compensation for their services and whose labor relations are not regulated.

The class 1 railroads of the United States have modernized their equipment, both plant and rolling, to such a degree that it would be conservative to say that they could handle 40 percent more business than they do at the present time without any material increase in their overhead outside of the increase in pay rolls. Without volume of business, the railroads will never be able to pay a reasonable return upon the valuation of the properties and, certainly, without increased volume of business, there is no way in which railroad unemployment can be relieved.

There is approximately $26,000,000,000 invested in our railroads. Normally, their gross operating income is more than $6,000,000,000 annually. But, because of general industrial conditions now existing and unfair competition permitted by Federal statute, that gross revenue has dropped 50 percent, to $3,271,000,000, for 1934. We find, also, that only about one-half of the plant equipment is being used. We are all hoping and striving for a general reduction in the rail-rate structure. This necessary objective can only be accomplished by restoring to some semblance of normalcy the volume of freight the railroads handle.

The opening of the Panama Canal aggravated the difficulties of our transcontinental railroad carriers. Railroad employees recognize the necessity and the desirability of the Panama Canal, but we do protest against existing laws which make it impossible for transcontinental railroad carriers to compete with intercoastal water carriers, who were made potent as competitors only because they use the Panama Canal. Particularly do we protest when these competitors are in no way under the control of the Federal Government. They go unregulated, they do not have to publish their rates, are free to change them at will without previous notice, may pay rebates, give allowances, provide storage, perform special services, allow special privileges, and otherwise secretly and openly favor individual shippers. The record of the Interstate Commerce Commission clearly indicates that these special privileges representing compensations of several cents per hundred pounds are indulged in to a very considerable extent by the water carriers.

The testimony before the subcommittee clearly discloses that the intercoastal water carriers frankly admit that they have a monopoly upon the traffic between the Atlantic and Pacific coasts. That is made possible by the existence of the so-called long- and short-haul clause in the Interstate Commerce Act, because that statute prohibits the railroads from charging a lower rate for transporting commodities over a long distance than over a shorter distance. The passage of this legislation would still permit the Interstate Commerce Commission to exercise control of rates charged by the railroads, the railroads merely having the right of putting into force rate structures without prolonged and exhaustive hearings being held by the Interstate Commerce Commission prior to their going into effect. However, the Interstate Commerce Commission would still be empowered to suspend the rates if they deemed them unfair and unreasonable and not in the public interest.

Bus and truck transportation, water transportation, air transportation, and pipe-line transportation are not subjected to restrictions such as are carried in section 4 of the Interstate Commerce Act. Why, then, insist upon shackling an industry which has done more than its share to develop this country? An industry which built, maintains, and owns its operating roadbed and signal equipment, in direct contrast to the busses and trucks now, figuratively at least, in possession of highways, which were built and are maintained by the taxpayers; and also in contrast with water and air transportation, a large portion of whose operating cost is actually borne by the Federal Government. Why circumscribe the railroad industry with regulations preventing it from meeting competitors on a real competitive basis? Certainly you have given their competitors enough trade advantages already.

The intercoastal carriers enjoy more than a monopoly of the Atlantic-Pacific coast business. They go far into the interior, with the resultant demoralization of all other transportation. This is possible because section 4 applies to the railroad carriers but does in no way restrict any other form of transportation.

The effect on railroad-freight volume, due to the viciousness of the operation of the long- and short-haul clause is probably best illustrated by the undisputed testimony before the subcommittee of Mr. J. P. Haynes, executive vice president of the Chicago Chamber of Commerce. I quote:

"The Panama Canal record shows that the total tonnage carried by steamship lines between the eastern and western coasts of the United States (excluding east-bound oil in tank ships) increased from 1,961,874 tons of 2,000 pounds each in 1921 to 8,230,697 tons in 1929, which tonnage for the most part was traffic which the railroads had theretofore transported, and which they would now be transporting but for the Panama Canal. This tonnage includes all sorts of traffic, including heavy articles, such as iron and steel products, as well as manufactured articles of every variety, a substantial volume of which moved from points as far inland as St. Paul, Minn., and Moline, Ill., through the Atlantic seaboard and thence by boat. For example, the rate on hoisting machinery, carloads from St. Paul, Minn., to Los Angeles or San Francisco, Calif., all rail, is $1.83 per hundred pounds, load minimum weight 30,000 pounds, while the rate from St. Paul to Baltimore by rail is 75 cents per hundred pounds, carload minimum weight, 30,000 pounds, and the boat rate from Baltimore to Los Angeles or San Francisco, through the Panama Canal, is 75 cents, making a combination rate via this rail and water route of $1.50 per hundred pounds, as compared with the $1.83 per hundred pounds rate via rail direct from St. Paul to these points. This is $99 per car lower via Atlantic seaboard than via all rail direct. The all-rail rate on agricultural implements from Moline, Ill., to Pacific coast cities is $1.86 per hundred pounds, minimum weight 24,000 pounds.

These agricultural implements can be carried by rail from Moline to the Atlantic seaboard for 54 cents per hundred pounds, and thence by boat through the Panama Canal to the Pacific coast for 55 cents per 100 pounds, making a total rate of $1.09 per hundred pounds, a difference of 77 cents in favor of the rail-and-water route through the Panama Canal, or $184.80 per car."

Certainly this undisputed testimony proves conclusively that the intercoastal water carriers have more than a monopoly of the Atlantic-Pacific business. It is cheaper to ship from St. Paul, Minn., by rail to Baltimore, then by boat to the Atlantic Ocean, down the coast, through the Panama Canal, and up the Pacific coast to Los Angeles or San Francisco than by rail direct, all because, by Federal statute, we have hamstrung the railroad carriers by persisting in not modifying section 4 of the Interstate Commerce Act. [Applause.]

For every ton of freight recovered by the railroads, they would give 2 hours of employment to 1 hour that remained in the transportation service by water.

In addition, the railroads pay approximately 7 percent of their revenue in taxes. The intercostal water carriers pay less than 1 percent of their revenue in taxes, or about $9 out of every thousand dollars taken in, while the railroads pay between seventy and eighty dollars per thousand dollars in taxes, or an amount almost nine times greater than the water carriers pay. Surely it is in the interest not only of fairness to the railroad carriers and their employees but likewise in the interest of the American taxpayer that a portion of this business should be restored to a real American industry.

It is generally agreed that the railroads are one of the strongest arms of our national defense. Surely, if we have learned any lesson from the World War, it is that our railroad transportation facilities must be kept in perfect order, particularly since in time of war we can expect the intercoastal water carriers to desert their regular trades for the more profitable foreign trade, as they did during the World War. Mind you, this desertion took place in 1915 and 1916, before the United States entered the World War.

If you measure our coast line and our border line, you will find that we have more land border than we have water border in transcontinental United States, all of which merely emphasizes the necessity of maintaining in a state of good condition not only actual railroad equipment but also skilled personnel who are able immediately to operate trains.

Railroad employees have always responded in emergencies, both to the call of their country and to help the railroad management. An example of this was the voluntary pay reduction of 10 percent taken by all railroad employees in October 1932. In addition to this voluntary pay reduction, the employees, in many instances, liberalized the contracts entered into with the railroad carriers. It is conservative to say that this voluntary pay reduction and the liberalization of said contracts represented a saving to the railroad carriers and ultimately to the consuming public of at least $200,000,000 annually. Certainly the railroad employee comes to this Congress with clean hands, merely asking that the industry which employs them should be given a fair opportunity to meet cutthroat competition. In doing that I know they are upon a sound premise. [Applause.]

Mr. RAYBURN. Mr. Chairman, I yield 5 minutes to the gentleman from Nevada [Mr. SCRUGHAM].

Mr. SCRUGHAM. Mr. Chairman, my first understanding of the injustices involved in this bill came from a personal incident which happened more than 30 years ago. I was unable to find work in my home town in Kentucky, but secured a job in western Nevada, nearly 3,000 miles away. In moving the household furniture of my family the local freight agent did not have an exact quotation on the point in Nevada but he gave me the San Francisco rate, a point some 250 miles farther west. The amount involved, as I recall, was something like $200, which I paid in advance. When I went to get my furniture on its arrival in Nevada I found I had to pay an extra charge of nearly $100—not for any service rendered, but through a device known as the back-haul charge. From that day on I threw myself into a battle to eliminate this pernicious thing.

For 15 years the people of Nevada carried on an expensive and wearying struggle to free themselves from that blighting freight-rate discrimination, the back-haul charge. March 15, 1918, was the great day of victory when the shippers, the producers, the farmers of Nevada learned that we had secured terminal freight rates.

For 18 years we have been free from that discrimination, which by the passage of this bill will be returned.

I certainly have no desire to handicap in any way the hard-pressed management of the railroads of this country in their laudable efforts to create and secure more business. I certainly wish to do everything possible to promote the interests of the railroad employees.

But I cannot conceive of a situation which warrants legislation that will permit the railroads to give the shipper at Chicago the same coastal water rate that applies between New York or Baltimore and San Francisco, and then at the same time forces the consumer or producer at Reno, Winnemucca, or Elko to pay that rate plus the local rate to and from the port.

If Congress believes it the part of wisdom to move the Atlantic Ocean, by legislative action, from New York City back to Chicago, then by the same legislative action let us move the Pacific Ocean back to Reno, Winnemucca, Phoenix, or Salt Lake City. They are equally fair propositions, and we will end our controversy.

The producers, the farmers, the shippers of the West are the same type of American citizens as are those shippers of Chicago, and are entitled to the same treatment.

The Legislature of the State of Nevada, by resolution, has appealed to Congress not to pass this legislation. The State Farm Bureau of Nevada has taken similar action. The farmers, who are located in the interior, and consequently are the middlemen who would pay the proposed discriminatory freight rates, have protested against this legislation through their great national organizations, the National Farmers Union and the National Grange.

Let me quote from the railroad Coordinator's report, recently filed with this Congress, and which report is concurred in unanimously by the Interstate Commerce Commission:

> All that they (the railroads) could hope to gain would be an opportunity to obtain additional traffic on a very low-cost basis of rates yielding some slight margin over the so-called out-of-pocket costs. However, such a cost is a fluctuating thing, dependent in part on whether or not it is necessary to operate more trains to carry the additional traffic. If more trains become necessary, out-of-pocket cost rises sharply. Furthermore, if the railroads are permitted to make rates on this basis the water lines must be permitted to do likewise, and in their case it often happens that it will pay to take on ballast, which pays nothing. The prospects are, therefore, that unrestrained rate warfare will leave the railroads with an out-of-pocket loss and impoverish both groups of carriers.

In my best judgment, the employees and management of the railroads in the State which I represent cannot ultimately benefit except in very slight degree by the passage of this bill, while the business interests of my State would certainly suffer by its passage, through imposition of the blight of the old back-haul charge, with no service rendered, from which we escaped 18 years ago. [Applause.]

Mr. COOPER of Ohio. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. CHRISTIANSON].

Mr. CHRISTIANSON. Mr. Chairman, as a Representative from the Middle West I have supported and will support every measure reasonably designed to reduce transportation costs. Years ago, while a member of the Minnesota Legislature, I helped to launch the movement for the construction of the St. Lawrence seaway. Later, as Governor of Minnesota, I appointed a commission to carry on the battle for a 9-foot channel in the upper Mississippi. I opposed an attempted merger of the Great Northern and the Northern Pacific Railroads, for I favor competition in transportation as well as in industry. Last year I voted against the bill placing truck lines under the I. C. C., because I believe it would result in rate increases; and when the bill to subject water rates to Federal regulation comes up, I shall fight it for the same reason.

I am supporting the Pettengill bill today because to me it seems to be the one measure that promises the promptest relief from a condition that for several years has been moving industries out of the Northwest and restricting the markets for its agricultural and industrial products. [Applause.]

Inasmuch as it has become a practice of late to ascribe to public men motives of which they never were aware, let me assure you at the outset that no railroad lobbyist ever asked me to vote for this bill. The persuasion has come from my own conviction that this legislation will be beneficial to the people of Minnesota and the Northwest.

That conviction has been strengthened by resolutions of the Minnesota State Legislature, the Minnesota Railroad and Warehouse Commission, the St. Paul City Council, the Minneapolis Junior Chamber of Commerce, the St. Paul Association of Commerce, the Mankato Chamber of Commerce, the Midway Club of St. Paul, the Northfield Lions Club, the Moorhead Chamber of Commerce, the Northwest Shippers Advisory Board, and other similar organizations.

My course is supported by the Farm Bureau, by the railroad brotherhoods, and a large number of industrial and business leaders who, like myself, view with concern the creeping paralysis that has come upon the economic life of the Northwest since the Panama Canal was built.

That interoceanic channel, projected to serve the needs of national defense, has influenced the business and industry of the country profoundly. It is no exaggeration to say that it has remade the economic map of America. It brought the regions east of the Alleghenies and west of the Rockies closer together, binding them to each other with the ties of cheap water transportation, but it isolated the interior. It placed the people of my part of the country, who had to rely on expensive railroad transportation to reach the seaboard, either to buy or to sell, under a disadvantage they have not been able to surmount. It was in order to remove that disadvantage, at least in part, that they sought water outlets to the sea. It is in order to overcome that handicap that they support this measure.

The effect of the Panama Canal was not felt immediately after its completion, for the war came, taxing the capacity of both railroads and ship lines. But after 1920 there was no more war tonnage to carry. Traffic dropped to normal, and every ton thereafter carried by ships in intracoastal commerce was a ton subtracted from what would otherwise have been hauled over rails.

It came to pass that most of the heavy, slow-moving, nonperishable freight moved from the east coast to the west and from the west coast to the east by water. Fast freight, like fruit from California, continued to move by rail, but most of it was eastbound, so westbound box cars went empty.

Only the interior was dependent on the rails for both fast and slow, perishable and nonperishable freight service. Accordingly, it happened that a larger and larger percentage of the cost of supporting the railroads fell upon the agriculture, industry, and commerce of the Middle West.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield?

Mr. CHRISTIANSON. Yes.

Mr. MARTIN of Colorado. The gentleman said a while back that the war period taxed both the land and water transportation. It is my recollection that the record is that the railroads alone carried not only all of the inland but all of the intercoastal traffic of the country during the war period, during which time the vessels ordinarily constituting Canal traffic had gone into European transportation.

Mr. CHRISTIANSON. For the reason that the tonnage carried between the United States and Europe was such as to tax the capacity of all seagoing ships.

Mr. MARTIN of Colorado. My point is that the railroads carried the entire load during the war period.

Mr. CHRISTIANSON. The entire domestic load.

The extent to which the burden of maintaining railroad freight service shifted to agriculture is strikingly indicated in the case of the Southern Pacific. Its receipts for carrying perishable and other agricultural products amounted to 13 percent of its total revenue in 1920 and 40.4 percent in 1932.

While 87 percent of the revenue available for the maintenance of railroad freight service came from nonperishable, nonagricultural tonnage in 1920, only 59.6 percent came from such tonnage in 1932. The Panama Canal had levied toll upon the Middle West.

There have, of course, been several reasons for the increase in railroad rates during the last two decades, but the chief reason was the loss of tonnage to competing forms of transportation. This has not only narrowed the base upon which operating costs and fixed charges, including taxes and interest on bonded indebtedness, had to rest, but it has definitely shifted the base toward that part of the country which is most dependent upon railroads for transportation—the Middle West.

The logical procedure for the railroads when confronted with the new water competition would have been to reduce rates to meet it. But it so happened that a Federal law stood in the way. The Interstate Commerce Act contained what is known as paragraph 1 of section 4, which provides that—

> It shall be unlawful for any common carrier * * * to charge * * * any greater compensation * * * for a shorter than for a longer distance over the same line or route in the same direction.

That provision, conceived in the best of intentions, effectively barred any attempt upon the part of the railroads to meet water competition by reducing transcontinental rates, for they could not reduce such rates without also reducing rates between intermediate points correspondingly, and any such reduction would deprive the railroads of the revenue needed for operation on a solvent basis.

Section 4 was adopted before water competition had begun to be felt, while the railroads still had a virtual monopoly. In fact, the whole structure of rate regulation dates back to the period when the roads were in a position to charge all the traffic would bear. If there had been effective competition in transportation at the time the Interstate Commerce Commission was established, the history of rate regulation in this country would probably have been a different story. It was the absence of competition that created need for regulation. That regulation was designed, not to protect one form of transportation against another, but to protect the public against unreasonable rates and against discrimination between persons and communities. This was the general theory of rate regulation prevailing when the act of 1887 was passed.



Since that time the picture has changed. Seagoing ships and river barges, busses and trucks, airplanes, and pipe lines challenge the railroads on every hand. It has now become necessary not only to protect the public against transportation companies but to protect the different kinds of transportation against each other. The railroads are vital, they are essential to the very existence of the country; they must be protected against such competition as would destroy them.

There is one school of thought which holds that the best way to protect the railroads is to put their competitors under the kind of regulation to which they are subjected. To that proposal I for one object, for it would inevitably lead not to a reduction of railroad rates but to an increase of other rates. The public would be mulcted. I should prefer rather to let the railroads reduce their rates to meet water competition, even if it should lead to the establishment of through rates considerably lower than the aggregate of intermediate rates.

The steamship lines fix any through rates that suit their convenience or their need to meet competition. To leave them free while keeping the railroads hobbled is to invite the destruction of the railroads or, as an alternative, the establishment of intermediate rail rates so high as to strangle the interior of the country, which is already gasping for breath.

The objection has been made that the reduction of through rates would result in losses that would be shifted to the intermediate shipper in that local rates would be increased to supply the revenue to carry the through traffic. Such is not the case, for not only must the through rate be high enough to carry the service but the intermediate rates must be such as the Interstate Commerce Commission would approve as fair and reasonable. The local rate structure is not disturbed by the present legislation. All this measure does is to permit the railroad companies to sell the use of their unused facilities at cost, thus spreading the overhead and passing on to the through shipper a part of the burden that is tending increasingly to be borne by the intermediate shipper.

It is said that the Interstate Commerce Commission can, under existing law, grant "long and short haul" relief, and that therefore there is no necessity for enacting this legislation. That argument is plausible but not sound. At times it takes up to 3 years to get relief, and often by the time it is given the situation has so changed that the order is ineffectual to accomplish its purpose; all the petitioner has to show for his trouble is canceled checks for attorneys' fees.

The better procedure is the one which will be followed when this measure becomes a law. The railroad company will file its long-haul rates and they will become effective unless and until suspended by the Commission.

Minnesota canners, using the products of Minnesota farms, cannot sell their product in Arkansas, Louisiana, Texas, and Oklahoma in competition with canners operating on either the Atlantic or the Pacific seaboard. The railroads are willing to make a through rate that would enable Minnesota to compete, but, although a long time has elapsed since relief was first sought, it has thus far not been obtained. The railroads are losing revenue, the canners have lost an outlet, and the farmers have lost a market for their product.

Minnesota formerly had an extensive paper industry, but today there are only three plants left manufacturing newsprint. New Orleans, Memphis, and St. Louis newspapers can obtain paper from Sweden and Canada at a cost lower than that of the Wisconsin and Minnesota product. After protracted and expensive hearings the Commission finally granted relief, but it was too late—many of our mills had already closed their doors.

Rates on lumber from the Pacific Northwest and from the South move to Minnesota at rates so high that the cost of building is almost prohibitive. Seattle lumber is much cheaper in New York than in Minneapolis, although the distance to New York is twice as great.

A carload of Seattle lumber can be shipped to Indiana by a combined water-rail route through the Panama Canal and an Atlantic seaport at no greater cost than by rail from Seattle direct.

The freight differential is such that Argentine corn can be unloaded at Portland or Seattle at a cost of $3 per ton less than that of corn from Iowa or Minnesota.

Instances might be multiplied indefinitely, but these are sufficient to prove the case. The landlocked interior needs lower freight rates to overcome its distance from the sea. It needs protection against the new competition brought into existence by the Panama Canal. The people of the interior can secure lower through rates without paying compensatory increases on short hauls. They demand that the artificial handicap to which they have been subjected for 16 years be removed by the repeal of a restrictive provision that can have no proper application to the transportation of today. [Applause.]

Mr. RAYBURN. Mr. Chairman, I yield 10 minutes to the gentleman from Washington [Mr. SAMUEL B. HILL].

Mr. SAMUEL B. HILL. Mr. Chairman, the railroads should be permitted to reduce their rates to competitive points only upon condition that they do not crucify the people in the interior. The great trouble with the railroads today is their rates to interior points are so high that they do not carry the proper amount of tonnage. The first consideration of a railroad in making money out of its transportation system is to secure volume of tonnage, and they have absolutely choked the interior sections by placing the freight rates so high that the people cannot afford to ship. The remedy is not in this discrimination that they are seeking through the enactment of this legislation. We have heard a great deal said today about fair play, but they do not take into consideration the shipper in speaking of fair play. It is simply a comparison between the transportation systems, and the shipper is left out of the picture. I am here today speaking for the shipper.

This bill would penalize every industry and every citizen in my congressional district. It would penalize every citizen and every industry in all these intermediate sections of the country. It has been said today that the reason why the fourth section was enacted in the first instance was because at the time it was enacted the railroads had practically a monopoly of transportation. How did they get that monopoly? They got it by choking out water transportation both on inland waters and in intercoastal traffic, and that is exactly what they want to do through the enactment of this legislation. That monopoly was secured because they had no interference from the Interstate Commerce Commission or from legislation by Congress. We would revert to that same status if we should enact this piece of legislation. Why was the fourth section enacted in the first instance? It was to prevent the discrimination the railroads had indulged in by giving a lower rate to more distant points than to points intermediate on the same line of transportation. That is discrimination. Nobody can justify discrimination. The fourth section was enacted to prevent that very thing, and today this bill is brought in for the purpose of repealing the fourth section. What would that do? The fourth section today provides:

That it shall be unlawful for any common carrier, subject to the provisions of this act, to charge or receive any greater compensation in the aggregate for the transportation of passengers, or of like kind of property, for a shorter than for a longer distance over the same line or route in the same direction, the shorter being included within the longer distance.

The bill before us would repeal that provision. The fourth section further provides:

That this act shall not be construed as authorizing any common carrier within the terms of this act to charge or receive as great compensation for a shorter as for a longer distance.

That provision is repealed by this bill. Then the fourth section further provides:

That upon application to the Commission such common carrier may in special cases, after investigation, be authorized by the Commission to charge less for a longer than for a shorter distance for the transportation of passengers and property.

That section is repealed, because the provision now is that in order to get relief from the fourth section the railroad company must go to the Interstate Commerce Commission with an application and make an affirmative showing that it is entitled to the relief asked, but under this bill before us today it is provided that the railroad company will not have to do that. That provision is repealed. The railroad company may file its schedule of rates with the Interstate Commerce Commission, and let that schedule remain on file for 30 days, and then, unless someone comes in and protests, it goes into effect automatically without any affirmative showing by the railroad company.

The committee, as an afterthought, proposed an amendment to the bill, as follows:

*And provided further*, That in any case before the Commission where there is brought in issue a lower rate or charge for the transportation of like kind of property, for a longer than for a shorter distance over the same line or route in the same direction, the shorter being included within the longer distance, the burden of proof shall be upon the carrier to jutify the rate or charge for the longer distance against any claim of a violation of sections 1, 2, and 3 of the Interstate Commerce Act.

There is a joker in that committee amendment. It says "in any case." What constitutes a case? It is not simply the filing of the schedule of rates, but a case is made when someone comes in and raises the issue as to the schedule of rates filed.

That means that every small community and every large community that wishes to object to a schedule of rates must have someone qualified to present the case for that community before the Interstate Commerce Commission and raise the issue before there is any burden upon the railroad to justify that schedule. You know and I know, as a practical matter, that traffic experts and rate experts are not to be found in all these communities. The railroads may file one schedule after another and make it absolutely impossible for the rate expert, if one were available in the smaller community, to keep up with the schedules filed. It simply annuls any effort on the part of the Interstate Commerce Commission to hold these railroads within bounds as to these discriminatory practices.

The fourth section also contains a provision that in exercising the authority conferred upon it in this proviso the Commission shall not permit the establishment of any charge to or from a more distant point that is not reasonably compensatory.

That provision is repealed, and it would permit the railroads to file a schedule of rates for the competing points that would pay not even the out-of-pocket cost, and the railroads must make up what they lose on these competitive rates by placing higher rates upon the interior section. But even if they should not raise the rates on the interior sections, they will discriminate between the interior and the terminal points by lowering the rates to the competitive points.

The fourth section further provides that no such authorization shall be granted on account of mere potential water competition not actually in existence. That provision is also repealed. In fact, this bill repeals the fourth section in toto. It is an absolute repeal of the fourth section, and it places the railroads back where they were in 1887 before there was any Interstate Commerce Act, and under which practice, without regulation, the railroads, in their cutthroat competition among themselves and for the purpose of running the boats off the rivers and the seas, built up that great monopoly about which something was said today. That is exactly what they want to do again.

This is not a theoretical proposition with my section of the country. We are in the status of the burnt child. We operated under those conditions, as the gentleman from Nevada [Mr. SCRUGHAM] told you, until 1918, and we were suffering because of these discriminatory rates. It retarded the growth of our inland communities and cities. It gave a great advantage to the terminal cities on the coast. We know exactly what that means. That is exactly what they want to do now. You can talk until you are black in the face about the railroads not increasing the rates, but we know they will increase the rates. That is why we are opposing this legislation. It is unfair to discriminate against one community in favor of another community. The railroads must get their volume of business from the interior. They are not seagoing craft. If they would build up their

traffic in the interior, they would not need this relief. [Applause.]

Railroad Coordinator Eastman is emphatically opposed to this bill.

The Interstate Commerce Commission is unanimously opposed to this bill.

There is no governmental agency endorsing this legislation.

The National Farmers Union, the National Grange, the National Farm Bureau Federation are all opposed to this bill.

The farmer is the middleman. He lives at the interior or intermediate point. The farmer lives at the noncompetitive point. The farmer is the one man who pays the freight both coming and going. He pays the freight on everything he buys and everything he sells. The farmer is the man who will be subjected to peak of rates. The farmer is the man who will be called upon to finance the railroads in their proposed cutthroat rate war with the boat lines.

When you talk of shipper, the farmer is the real shipper. He is the man who will pay the bill, and he has a right to be considered.

Passage of legislation such as the Pettengill bill will more than ever center population in the big, congested areas. These big, congested centers will be given the preferential freight rates. That is what the bill is for. It will force greater and greater population congestion in the big cities.

[Here the gavel fell.]

Mr. SAMUEL B. HILL. Mr. Chairman, I ask unanimous consent to extend my remarks by printing in the RECORD a comparative statement as between the fourth section as it now exists and the bill now before the committee.

The CHAIRMAN. Is there objection?

There was no objection.

The statement is as follows:

PRESENT PROVISIONS OF PARAGRAPH 1, SECTION 4, INTERSTATE COMMERCE ACT, CONTRASTED WITH PROVISIONS OF THE PETTENGILL BILL (H. R. 3263)

| PRESENT | PROPOSED BY PETTENGILL BILL |
|---|---|
| SEC. 4. (1) That it shall be unlawful for any common carrier subject to the provisions of this act to charge or receive any greater compensation in the aggregate for the transportation of passengers, or of like kind of property, for a shorter than for a longer distance over the same line or route in the some direction, the shorter being included within the longer distance, or to charge any greater compensation as a through rate than the aggregate of the intermediate rates subject to the provisions of this act, but this shall not be construed as authorizing any common carrier within the terms of this act to charge or receive as great compensation for a shorter as for a longer distance: *Provided*, That upon application to the Commission such common carrier may in special cases, after investigation, be authorized by the Commission to charge less for longer than for shorter distances for the transportation of passengers or property; and the Commission may from time to time prescribe the extent to which such designated common carrier may be relieved from the operation of this section; but in exercising the authority conferred upon it in this proviso the Commission shall not permit the establishment of any charge to or from the more distant point that is not reasonably compensatory for the service performed; and if a circuitous rail line or route is, because of such circuity, granted authority to meet the charges of a more direct line or route to or from competitive points and to maintain higher charges to or from intermediate points on its line, the authority shall not include intermediate points as to which the haul of the petitioning line or route is not longer than that of the direct line or route between the competitive points; and no such authorization shall be granted on account of merely potential water competition not actually in existence: *And provided further*, That rates, fares, or charges existing at the time of the passage of this amendatory act by virtue of orders of the Commission or as to which application has theretofore been filed with the Commission and not yet acted upon, shall not be required to be changed by reason of the provisions of this section until the further order of or a determination by the Commission. | SEC. 4. (1) That it shall be unlawful for any common carrier subject to the provisions of this act to charge or receive any greater compensation as a through rate than the aggregate of the intermediate rates subject to the provisions of this act: *Provided*, That the Commission may from time to time prescribe the extent to which common carriers may be relieved from the operation of this section: *And provided further*, That rates, fares, or charges existing at the time of the passage of this amendatory act by virtue of orders of the Commission or as to which application has theretofore been filed with the Commission and not yet acted upon, shall not be required to be changed by reason of the provisions of this section until the further order of or a determination by the Commission: *And provided further*, That in any case before the Commission where there is brought in issue a lower rate or charge for the transportation of like kind of property, for a longer than for a shorter distance over the same line or route in the same direction, the shorter being included within the longer distance, the burden of proof shall be upon the carrier to justify the rate or charge for the longer distance against any claim of a violation of sections 1, 2, and 3 of the Interstate Commerce Act. |

Mr. SAMUEL B. HILL. Mr. Chairman, I ask unanimous consent further to extend my remarks by printing in the RECORD a letter appearing in the hearings of the committee on this bill at pages 1034 and 1035, written by Mr. W. C. Maxwell, chief traffic officer of the Wabash Railway Co., to Hon. SAMUEL B. PETTENGILL, the author of this bill, showing the interest of the railroads and the author of this bill in this particular legislation, which has not been emphasized in this discussion but which is one of the big considerations back of this bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

The letter is as follows:

CHICAGO, *June 12, 1935.*

Hon. SAMUEL B. PETTENGILL,
*Member, House of Representatives, Washington, D. C.*

MY DEAR CONGRESSMAN: When at the plant of the Studebaker Corporation at South Bend, Ind., on the 11th, I was informed that they have arranged to send a representative to the Pacific coast to investigate as to the location there of an assembly plant for the Studebaker Corporation.

I told Mr. Paul Hoffman of the hearings before the judicial committee bearing on modification of fourth-section requirements and urged that they withhold their decision for a limited time, as it seemed certain that relief would be granted. Mr. Hoffman said he would phone you at once, therefore you have no doubt been apprised of the situation.

The erection of an assembly plant on the Pacific coast means an investment of capital that it is not necessary to invest, the throwing out of employment of people at South Bend, and further injury to the carriers. It is certain that there would be no change in the relative situation between manufacturers and dealers at intermediate points but, on the other hand, there would be bad effects to the city of South Bend and Indiana as well as to the carriers.

This concrete evidence which has no doubt been confirmed to you direct by Mr. Hoffman, is simply added evidence of what has been going on for many years—i. e., the location of plants or branch plants on the seacoasts—which, in my opinion, has resulted in material decreases in employment in the entire territory, Buffalo, Pittsburgh, and West, all States to and including the Canadian border, South including Kentucky, and as far west as the Missouri River.

I know of a case at Kansas City where they were obliged to locate a branch plant at Berkeley, Calif.

As to the carriers, the biggest taxpayers and employers of any industry, their purchases of material and supplies for the years 1926 to 1930 averaged $1,300,000,000. These figures fell to $450,000,000 in 1932 and 1933.

It must be borne in mind that this stream of lifeblood is poured into all classes of industry and although it formerly furnished livelihood for an army of people, it has been pretty stagnant for the last few years.

It is apropos to ask what the States get in the way of taxes and employment from the water lines.

I wish to direct your attention to the fact that the carriers filed an application with the Interstate Commerce Commission January 6, 1933, to reduce the rate on automobiles, set up, from Detroit, South Bend, and all producing points in the eastern section from $4.65 to $3.82 per hundredweight. They have been unable up to this time even to get a hearing on that application.

Yours very truly,

W. C. MAXWELL,
*Chief Traffic Officer, Wabash Railway Co.*

Mr. COOPER of Ohio. Mr. Chairman, I yield 10 minutes to the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Chairman, I represent an area which has always been a victim of discrimination as far as transportation rates are concerned. In that respect it is similar to that represented by the gentleman from Washington [Mr. SAMUEL B. HILL], who has just addressed you, and by the gentleman from Nevada [Mr. SCRUGHAM].

Under the provisions of the fourth section as it stands at present, we have suffered less discrimination than was formerly the case. Consequently the shippers and the public generally in the area which I represent are very apprehensive as to what may happen if this section is repealed and we go back to what were virtually the conditions before we had long- and short-haul legislation. It seems to me very obvious that any system which permits a lower charge for a long haul than for a short haul can only be defended as an emergency proposition. There is no more reason ordinarily why a railroad company should charge less for a transcontinental haul of 3,000 miles than for a haul of a few hundred miles than there is that a dry-goods merchant should charge less for 2 yards of goods than for 1 yard of goods. However, we do recognize that there are competitive conditions in the transportation field which have made it seem necessary at times to provide that in an emergency or under unusual conditions a lower rate should be charged for a longer haul. Under our present fourth section there is no railroad in the country that cannot come before the Interstate Commerce Commission, and if it makes out a case and shows that the rate which it proposes to charge is reasonably compensatory, secure fourth-section relief. The report of the Commission for the year ending October 31, 1935, shows that a large number of cases involving the fourth section were heard during that time and that in a majority of those cases relief was granted. The number of applications filed during that period was 349. The number of orders entered in response to applications was 358, of which only 58 were denial orders, 110 were orders granting permanent relief, and 190 were orders authorizing temporary relief. The number of petitions for modification of orders was 345, of which 295 were granted, 20 were denied, 2 were withdrawn, and 28 are still pending. So the railroads have all the remedy they need under the present law when it comes to securing relief under the fourth section.

The situation is bad enough as it is, I think, and constitutes a very great discrimination against the section of the country in which I reside. The rates on California fruit, for instance, are just as great from the Pacific coast to Hutchinson, Kans., as they are to New York City; and this is the situation that exists on a great many articles of commerce that are shipped from coast to coast. This situation is, however, permissible now, and it is not even necessary to go before the Commission to get permission to put into force inequitable rates like that as long as the rates for the longer haul do not exceed those for the shorter.

It is proposed in the pending bill to give the railroads authority to put into effect lower rates for a long than a short haul without any order by the Commission. The shippers in the affected territory, of course, have a right to come in and bring an action under other sections of the Interstate Commerce Act, and ask for relief, but this puts the burden on the shipper, who in many cases may be a small business man who cannot afford to prosecute these actions, and in the meantime, while the action is pending, the discriminatory rates continue. We ought to leave the burden of justifying these discriminatory rates on the railroad companies themselves, for they are equipped and able to carry it. There is enough discrimination as it is under the best of circumstances in the area which will be most greatly affected by this legislation, the great middle-western farming area, an area which has always suffered so far as freight rates are concerned.

Practically every great farm organization in this country at some time or other has taken a position against the repeal of the fourth section, and some of them have urged that it be strengthened. The National Grange has repeatedly taken this position. The National Farmers Union, through its secretary, appeared before the Committee on Interstate and Foreign Commerce in opposition to this measure. I have here a resolution adopted at a meeting of representatives of every farm organization in my State, the Grange, the Farm Bureau, the Equity Union, the Farmers' Cooperative Grain Dealers' Association, the Farmers' Cooperative Commission Co., the Kansas Cooperative Creamery Association, the Consumers' Cooperative Association, the Farmers' Union Jobbing Association, the Farmers' Union Managerial Association, representing, so I am informed, 90 percent of the farmers of Kansas, urging that the Pettengill bill be not enacted because of the increased discrimination which would result against agriculture.

I have here a letter from the secretary of the Southern Kansas Millers' Club. The milling industry is one of the great industries in our State, perhaps our most important manufacturing business outside of the oil industry. Kansas millers are in a very severely competitive position so far as transportation is concerned and are quite apprehensive as to what may happen if the fourth section is repealed, because they realize that, as the gentleman from Washington told you a while ago, if you repeal the fourth section, you are going to put the railroads back in the same position they were before we had long- and short-haul legislation; you are going to put them in a position where they will be able to increase still further the burden upon this great midwestern territory where we are dependent entirely upon railroad transportation so far as long-distance carrying is concerned.

Mr. PETTENGILL. Mr. Chairman, will the gentleman yield at that point?

Mr. HOPE. I cannot yield.

Mr. Chairman, they are going to put again upon this area the discriminatory burdens which we had to carry before the original long- and short-haul legislation was enacted.

[Here the gavel fell.]

Mr. COOPER of Ohio. Mr. Chairman, I yield 1 additional minute to the gentleman from Kansas.

Mr. HOPE. The farmer is more concerned over transportation conditions in this country than anyone else, because upon him falls the burden of paying the freight both ways. He receives for his product the price at the terminal market less the freight; and when he buys he pays the price of the article plus the freight. He is more interested today in this type of legislation than any other class of our citizenship, and I sincerely hope this committee will not approve a bill further increasing his burden in this respect.

[Here the gavel fell.]

Mr. RAYBURN. Mr. Chairman, I yield 5 minutes to the gentleman from Idaho [Mr. WHITE].

Mr. WHITE. Mr. Chairman, I represent a district in the intermountain section of the country which in the old days, before the long- and short-haul clause was the law, felt the evils of the rate-cutting practices of the railroads.

I was very much interested in the statement of one of the eloquent speakers today to the effect that the railroads have received no Government assistance. I know, however, that the great continental railroads were given an empire running through the great States of Minnesota, North Dakota, Montana, and others. The Northern Pacific Railroad, as one instance, was given a land grant which took in every alternate section for 20 miles on each side of its right-of-way.

Today, while I stand here, that railroad company is deriving a great income from oil royalties, from coal royalties, and from the sale of timber and public lands due to the subsidy given them in completing that railroad out there.

Mr. PETTENGILL. Will the gentleman yield?

Mr. WHITE. I yield to the gentleman from Indiana.

Mr. PETTENGILL. Is it not true that the remaining public lands increased in value by the railroad's going through, and is it not also true that the section of the United States that has prospered the least since 1910 is this entire territory? It actually declined in population?

Mr. WHITE. There is a very good reason for that.

Mr. PETTENGILL. Yes; there is.

Mr. WHITE. Mr. Chairman, I want to ask the Members of the Committee if there is any justification for charging more for hauling freight to the intermountain section, Colorado, Idaho, Utah, and Nevada, than to haul freight 300 miles farther to the coast, then charge a back-haul into these intermountain States? For years we tried to get a just rate. The old rate before there was a long- and short-haul section in the Interstate Commerce Act permitted the railroads to charge a rate to the coast and then back again into the intermountain section. This was at the expense of the country I have been talking about and which the gentleman says has not increased in population.

Let me remind the Committee that the traffic which goes to the intermountain section originates not on the Atlantic coast but in the Middle West. We draw our farm implements from Illinois. We draw our corn products from Illinois, our shoes from St. Louis. All this material comes into Idaho, and we are charged more for hauling that freight into Idaho than is being charged to carry it to the coast, and if this bill becomes a law we must pay in addition freight charges back to us again. This bill will make a desert of our country and destroy the business of the great intermountain section of the United States. For that reason we are opposed to any change in the Interstate Commerce Act. The grange in my State, all the farmer organizations, business organizations, and the chambers of commerce are on record opposing this bill. Therefore I ask that the Committee vote against it. [Applause.]

Mr. COOPER of Ohio. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. MAAS].

Mr. MAAS. Mr. Chairman, when the Panama Canal was built there was an understanding in the Middle Western States that there would be a compensation in rail rates to permit the shippers in the Middle West to compete with the Canal. We bore our fair share of the cost of that Canal. But shortly after the Canal was built, which was during the period of the war, particularly when the existing law was enacted, there was no real competition between rail and water at that time, because every ship that was available was being used for service in the Atlantic trade. We needed every inch of shipping space that we could get, both on rail and water; so that the disastrous effects of this revision did not become apparent until after the war.

Mr. Chairman, the situation has changed vastly in the last 20 years. Truck competition, which was then unknown, has sprung up, and in itself is one of the best guaranties against rates becoming too high. They act as a check by the competition which they furnish. The constant breaking down of our railways has had a most unfortunate result in the effect upon the purchasing power of the people, and we feel this particularly in the Middle West. We get a double-barreled effect there. Our industries have been constantly moving away from the Middle West, where they should logically be located on account of its geographical position, to the coasts because they could not compete on transportation costs.

Mr. Chairman, this bill will permit us to simply have a fair basis of competition. It is not discrimination in favor of the Middle West, but, on the contrary, gives us only an even break and an opportunity to continue to do business nationally. Railway labor plays a very important part in stabilizing the wages and therefore the purchasing power of the whole country.

I represent a city which is a very important railway center in this country. As a matter of fact, it was from St. Paul that the transcontinental railroads of the North originated and pushed westward to the Pacific coast. We know the healthy effect of stability of railway labor on the whole labor and industrial structure of this country. Their credit is of the highest order, and because of this their wages turn over at a considerably greater rate than does that, for instance, of the low pay of truck drivers and the uncertain and seasonable pay of those engaged in water-transportation work.

A weakening of the financial structure of our railroads has a very serious and dangerous result in the whole investment and financial field. The stability of all insurance companies, and therefore insurance policies, because of the heavy investment of insurance reserves in railroad securities is threatened. Depositors' money in banks is vitally affected by railway investments. A heavy proportion of people's life savings, trust funds, and institutional endowments is invested in railroad bonds. Therefore the general welfare of the people at large demands the sound economic position of our railroads, and to insure this they must be able to meet on a reasonable basis the rates of competitive transportation systems.

The advocates of water transportation I think are under a misapprehension. I should like to say here that I have always been an ardent advocate of developing our waterways. What I have seen in Europe and the Orient, where they have utilized every possible source of water transportation, convinces me that we will have to do the same thing in this country eventually. I think in just a very few years we are going to strain the railroads to their very limit of capacity in the shipping of the merchandise of this country. I think we are going to use in addition every possible river and waterway that may be developed. As I previously stated, I have always been an ardent advocate of developing our waterways. I still hold to that opinion, but I do not believe that anything which will help business conditions in general is going to hurt the waterways. If we develop industries—and I am talking now particularly of the Middle West—if we develop our industrial life and develop our factories through permitting a larger field of distribution, the water carriers are bound to get their share, and they will prosper in direct proportion to such development. This is not competition in the ordinary sense of the word between rail and the water carriers. This is not going to take business away from them. It is going to create additional business in which they will share. All that this bill really does is to give the railroads an even break with these other competitive forms of transportation that have arisen in recent years and which are unregulated as to rates. They should be brought under exactly the same control as are the railroads. All transportation must be taken as a system, and all of the component parts of that system ought to be under the same regulation. All this bill does is to give the railroads the same opportunity that the water carriers now have. It also puts them in the same position as the trucking concerns.

Let us consider the probable effect of the Pettengill long- and short-haul bill upon the upper Mississippi River, for instance. It should be borne in mind—

First. That the railways could establish rates no lower than absolutely necessary to meet the water competition and obtain a fair share of the available traffic. This would generally mean a rate between water ports via rail somewhat higher that the water-carrier rate, this because of the more frequent and superior rail service. If the railway rate was so low as to jeopardize the water service—such as obtaining all or practically all of the traffic for the railways, then under section 3—the discrimination part of the act and not proposed to be repealed—would come into play because the low rate to the point beyond would be lower than absolutely necessary and the higher rate to the intermediate point would be unjustly discriminatory.

Second. That it is the general practice of the common carriers on the Mississippi—such as the Federal Barge Lines—to make their rates 20 percent less than the rail rates. Except where cutthroat competition occurs between the water

carriers themselves, few of the water rates of common carriers on the inland waterways are made without any reference to those of the rail lines. In those instances where the railways have applied for long- and short-haul relief to meet the competition of rates independently established by the river boats or barges, such rail rates have invariably been on a higher basis than the water rates.

Third. Unless the railways are in a position to promptly readjust their rates between river ports, and contiguous territories, to obtain a fair share of the traffic available, and which is exactly what the water carriers are now freely permitted to do, then it means a monopoly of such traffic for the water lines, except where the railway finds that the loss of revenue to the intermediate points does not offset the gain from the competitive traffic to the points beyond, and therefore does not violate the long- and short-haul rule.

Fourth. There is nothing in the present act to indicate that it was ever the intention of Congress to have such act administered or interpreted so as to legislate the railways out of participation in traffic competitive with water lines through a refusal to permit railways to readjust their rates so as to meet the competition confronting them. On the contrary, the law says that it is the policy to promote in full vigor both rail and water transportation.

This bill is sound, fair, and plain justice. [Applause.]

Mr. RAYBURN. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. HOUSTON].

THE PETTENGILL BILL TO AMEND PARAGRAPH (1) OF SECTION 4 OF THE INTERSTATE COMMERCE ACT

Mr. HOUSTON. Mr. Chairman, I wish to express my approval of the Pettengill bill to amend paragraph (1) of section 4 of the Interstate Commerce Act, and present some of my reasons therefor.

Samuel O. Dunn, editor of Railway Age, recently is quoted as having said that there is very real danger of Government ownership of railways, and that more than one-third of the railroad industry of the United States actually is in bankruptcy, railway operating expenses having increased $300,000,000 within the last 3 years.

Railroad abandonment in the past 2 years, as authorized by the Interstate Commerce Commission, totaled approximately 5,000 miles. If the railroads are to be abandoned, or taken over by the Government for operation, the first effect will be felt on the farm and by labor, and the final effect on the people of this country as a whole would be a matter of grave concern.

In 1931 the Kansas railways paid in that State taxes amounting to $8,918,820, of which $4,648,340, or 52.1 percent, was for public schools; $1,683,383, or 18.9 percent, was for highways; and $2,587,097, or 29 percent, was for other governmental purposes. Due largely to decreased traffic and revenues, including the large amounts lost to subsidized water and motor carriers, railway taxes in Kansas had for the year of 1934 dropped to $6,752,798, but still a very large sum.

Besides contributing heavily to the maintenance of Kansas schools, highways, and other governmental purposes in that State, the railroads employed 30,744 Kansans, the wages of whom amounted to $51,405,772, and purchases of materials within the State amounted to $4,896,031. They operated 9,758 miles of road, and their plant and equipment value, or fixed capital, was $965,470,051.

Their ability to pay taxes, employ people, and purchase materials depends largely upon the amount of traffic they handle and the revenues therefrom. Manifestly, if the Kansas railways are put in a position to again handle traffic which has been lost to competing and subsidized forms of transportation that will be of benefit to all Kansans.

The purpose of the Pettengill bill is to permit the transcontinental rail carriers to compete in some measure with steamship lines operating between the Atlantic and Pacific through the Panama Canal. A substantial volume of railway traffic consists of fruits and vegetables from the West to the East, as well as grain and grain products in the same direction. This results in a very large movement of empty cars from the East to the West. It is very evident that the railroads should be permitted to fill these empty cars with goods manufactured in the East which are now moving by water to the Pacific coast. Any profit thus acquired would help to bear the burden of operating and maintaining the railway lines which are so indispensable to the vast agricultural interests of the interior country.

It is common knowledge that by far the major part of revenues of the railroads must be used to pay the operating costs, interest, and taxes, and the diversion of traffic to steamships and highways must either result in an increase in freight rates or Government ownership to make up deficits out of taxation.

The amendment to the Interstate Commerce Commission Act will permit the railroads to make such rates as may return to them a considerable volume of the freight traffic which means more tonnage for the railroads to handle, more trains run, more men employed in train service, yards, shops, and track maintenance, and more materials and supplies purchased and used; all of which will work to the advantage of the interior States through which the transcontinental railroads operate.

Some opponents of the Pettengill bill seem to fear that transcontinental railroads may put in effect rates on wheat from the Pacific Northwest which would be detrimental and ruinous to the milling and grain interest of the interior States, but such roads as the Missouri Pacific, Santa Fe, Union Pacific, Rock Island, Southern Pacific, and the northern lines have the greatest investment and enjoy the greatest business in these interior States, and all of them depend largely for their prosperity upon the production of agriculture and agricultural products which originate in the interior territory and general business resulting therefrom, and it seems obvious that to put in effect any rates which would be detrimental and ruinous to the interior country would be a suicidal step; that anything which injured the interior country would at the same time be equally injurious to the carriers serving the territory.

Furthermore, under the terms of the Pettengill bill it will be impossible to institute any rates for transcontinental traffic which would be detrimental to any locality. The Interstate Commerce Commission still has power to prescribe maximum and minimum rates and to see that no railroad shall put into effect at competitive points rates so low as to add to the cost of moving freight to and from interior or intermediate points.

The maritime associations have objected strenuously to the bill, but it has been pointed out that the intercoastal common carriers, which are the object of their solicitude, are shown to have paid only five-hundredths of 1 percent of their revenues in taxes—that is, 50 cents out of each thousand dollars taken in—whereas the railroads pay seventy or eighty dollars per thousand dollars. It will be seen, therefore, that the tax contribution for the support of Government made by the railways per dollar of revenue is approximately 160 times greater than is contributed by the intercoastal common carriers.

It is certain that the intercoastal and other water carriers who have diverted so much traffic from the railways have not made up any part of the loss in taxes in Kansas mentioned at the outset, for such water lines pay but little in the shape of taxes anywhere, and certainly none in the State of Kansas.

I wish to quote excerpts of a letter recently received by me from a resident of Kansas, who, so far as I know, is not connected in any way with the railroads or any other transportation systems, as follows:

I am convinced that the Commerce Act should be amended to relax the very stringent requirements which have worked a hardship on the transcontinental railroads, and thus enable them to increase revenues without harm to the agriculture of the Middle West. Kansas is vitally interested in the railroads and their welfare, and as in the past, this inland country shall have to mainly rely upon them for transportation. You know as well as I, if not better than I, to what extent the products of Kansas are moved to market by the railroads, and it is inconceivable that the volume of our commodities can be handled as satisfactorily and with the dispatch necessary and for the distance required, under any other mode. Hence the ability to render required services is of prime importance to Kansas, and unless the railroads are permitted to

handle all the traffic they can to measurably meet competition and to more fully utilize their facilities in profitable business, their ability to serve the Middle West may be very seriously impaired. As I understand the problem, a certain flexibility as to rates will enable the railroads to increase revenues without detriment to the Middle West, and hence I most earnestly urge that legislation to that end be enacted. Otherwise the prospect seems to be that the Middle West will either have to pay increased tariffs or see the railroads go under Government management, either of which would be calamitous, and both of which may, I believe, be avoided by the exercise of common sense.

These are some of the reasons why I favor the Pettengill bill. I choose the taxpaying railways in preference to the tax-spending water carriers. [Applause.]

Mr. RAYBURN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WILCOX, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 3263) to amend paragraph (1) of section 4 of the Interstate Commerce Act, as amended February 28, 1920 (U. S. C., title 49, sec. 4), had come to no resolution thereon.

THE LONG AND SHORT HAUL FROM THE SHIPPERS' STANDPOINT

Mr. PETTENGILL. Mr. Speaker, in my speech on the long and short haul—CONGRESSIONAL RECORD, page 4126—I spoke of it as primarily a shippers' bill rather than a railroad bill. That, of course, is an accurate description of the bill. The railroads cannot benefit unless the shippers benefit.

It has occurred to me that it will be of interest to list some of the large shippers and shippers' organizations which favor the bill. They come from nearly every State in the Union and represent agriculture, industry, and raw materials.

The attached list is by no means complete, but it is at least representative:

NATIONAL

American Newspaper Publishers' Association.
American Short Line Railroad Association.
Columbian Rope Co.
National Automobile Chamber of Commerce.
Railway Business Association.
United States Chamber of Commerce.
Associated General Contractors of America.
American Association of Railroad Superintendents.
National Lumber Manufacturers Association.
Association of American Railroads.
General chairman, Mutual Association of the O. R. C. of America.
National Advisory Council of Railroad Employees and Taxpayers Associations.
National Industrial Traffic League.
Railway Labor Executives Association, composed of the 21 standard railroad labor organizations, as follows: Brotherhood of Locomotive Engineers; Brotherhood of Locomotive Firemen and Enginemen; Order of Railway Conductors of America; Brotherhood of Railroad Trainmen; Switchmen's Union of North America; International Brotherhood of Blacksmiths, Drop Forgers, and Helpers; Sheet Metal Workers' International Association; International Brotherhood of Electrical Workers; Brotherhood of Railway Carmen of America; International Brotherhood of Firemen and Oilers; Brotherhood of Maintenance of Way Employees; Order of Railroad Telegraphers; American Train Dispatchers' Association; International Brotherhood of Boilermakers, Iron Ship Builders and Helpers of America; Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees; Brotherhood of Railroad Signalmen of America; Order of Sleeping Car Conductors; National Organization Masters, Mates, and Pilots of America; National Marine Engineers' Beneficial Association; International Longshoremen's Association; International Association of Machinists.

REGIONAL ORGANIZATIONS

Central Freight Association.
Eastern Traffic Executives Association, composed of member lines of Trunk Line Association, New England Freight Association, Central Freight Association.
Intermountain Grain Cooperative, Inc.
Intermountain Grain Growers, Inc.
Iowa-Nebraska Canners' Association.
Pacific Coast Transportation Advisory Board.
Red Cedar Shingle Bureau.
Southern Cypress Manufacturers Association.
Southern Freight Association.
West Coast Lumbermen's Association.
Western Association of Railway Executives.
Western Conference Committee of Standard Railroad Labor Organizations.

ARIZONA

Joint Legislative Board of Transportation Brotherhoods.
Gila County Chamber of Commerce.
Yuma Chamber of Commerce.
Graham County Chamber of Commerce.
Wilcox Chamber of Commerce.
Yuma County Board of Supervisors.
Yuma Kiwanis Club.
Yuma 20–30 Club.
Yuma City Council.
City Council of Safford.
Yuma Veterans of Foreign Wars.
Tucson Trades Council.
Tucson labor organizations and auxiliaries.
Douglas Trades Council.
Douglas Women's Club.
American Legion Posts: Morgan McDermott, No. 7; Vicente Manzo, No. 45; Henry Berry, No. 4; and Louis B. Hazelton, No. 53.
Corporation Commission.
Ray Consolidated Copper Co.

ARKANSAS

Stuttgart Chamber of Commerce.
Pine Bluff Chamber of Commerce.
Little Rock Chamber of Commerce.
Arkansas Rice Traffic Bureau.
Arkansas Rice Growers' Cooperative Association.
Henry Wrape Co.

CALIFORNIA

Farm Bureau Federation.
Bakersfield Chamber of Commerce.
Petaluma Chamber of Commerce.
Sebastopol Chamber of Commerce.
Torrance Chamber of Commerce.
Sierra Madre Chamber of Commerce.
Santa Monica Chamber of Commerce.
Ocean Park Chamber of Commerce.
Willits Chamber of Commerce.
Ukiah Chamber of Commerce.
San Francisco Chamber of Commerce.
California Growers and Shippers Protective League.
California Fruit Growers Exchange, Los Angeles.
California Cattlemen's Association.
California Turkey Growers Association.
California Olive Association.
Western Traffic Conference.
Motor Car Dealers Association of San Francisco.
Colima Vegetable Association.
Pacific Railway Club.
Pacific States Butter, Eggs, Cheese & Poultry Association.
Central California Traffic Association.
Redwood City Chamber of Commerce.
San Mateo Chamber of Commerce.
Menlo Park Chamber of Commerce.
Palo Alto Chamber of Commerce.
Chambers of commerce: Antioch, Berkeley, Brentwood, Calistoga, Concord, Hayward, Martinez, Napa, Oakland, Pittsburg, Richmond, St. Helena, San Leandro, Santa Rosa, Walnut Creek, Salinas, Escalon, Oakdale, Sonora, Tracy, Atwater, Livingston, Los Banos, Manteca, Modesto, Patterson, Ripon, Salida, Waterford, Turlock, Newman, Crows Landing, Merced County, Madera County, Visalia, Exeter, Auburn, Lincoln, Roseville, Redding, Colusa, Woodland, Chico, Red Bluff, Sutter-Yuba, Corning, Oroville, Willows, Truckee, Alturas, Plumas County, Yreka, Arcadia, Anaheim, Brawley, Burbank, Calexico, Calipatria, Corona, Covina, Downey, El Centro, El Monte, Fillmore, Fullerton, Garden Grove, Glendora, Hawthorne, Heber, Holtville, Long Beach, Lompoc Valley, Monrovia, Palmdale, Placentia, Pomona, Pasadena, Redlands, Riverside, Ventura, Reseda, San Diego, San Gabriel, Santa Ana, Santa Barbara, Santa Maria, San Luis Obispo, San Dimas, San Fernando.
Better Business Bureau.
Spanish-American War Veterans.
Merchants Exchange.
Farmers and Fruit Growers Pacific Electric Lodge No. 912, Brotherhood of Railway Trainmen.
Oakland Lions Club.
Oakland Rotary Club.
Oakland Kiwanis Club.
California Fuel Retailers Association.
Stockton Potato Growers Association.
San Joaquin Marketing Association.
Milk Producers Association of Central California.
Agricultural Council of California.
Railroad Employees National Pension Association.
Roseville Lions Club.
California Fruit Exchange, Sacramento.
California Lettuce Growers Association.
Celery Growers Association.
University of California at Los Angeles.
Santa Fe Masonic group.
Farmers Educational and Cooperative Union.
California Walnut Growers Association.
Alliance of Retail Dealers.
Wholesale Fruit & Produce Association.
Retail Furniture Association.
Manufacturers Association.
San Jose Tractor & Equipment Co.
Valley Meat Co.
Glass Wholesalers Association of Southern California.
Nelson Brokerage Co., Los Angeles.

W. J. Voight Rubber Co., Inc.
Joseph & Katz, factory agents.
Findlay Miller Timber Co.
Gladding-McBean & Co.

COLORADO

Colorado and New Mexico Coal Operators' Association.
Good Will and Boosters' Organization of Union Pacific system.
Colorado State Federation of Labor.
Mayor Benjamin F. Stapleton, Denver.
Colorado Springs Chamber of Commerce.
Denver Chamber of Commerce.
Denver Trades and Labor Assembly.
Holly Sugar Corporation, Colorado Springs.
American Crystal Sugar Co.
Colorado Fuel & Iron Co.
Great Western Sugar Co.
National Sugar Manufacturing Co.

FLORIDA

Jacksonville Chamber of Commerce.
Tampa Chamber of Commerce.
Jacksonville Warehousemen's Association.
Jacksonville Port Bureau.
Jacksonville Traffic Bureau.
Miami Rate and Traffic Bureau.
Tampa Traffic Association.
Florida Citrus Exchange.

IDAHO

State Horticultural Association.
Nampa Chamber of Commerce.
Shippers' Traffic Association.
Montpelier Chamber of Commerce.
Glenns Ferry Chamber of Commerce.
Shoshone Chamber of Commerce.
Idaho Falls Chamber of Commerce.
Pocatello Chamber of Commerce.
American Falls Chamber of Commerce.
Ontario Chamber of Commerce.
Parma Chamber of Commerce.
Blackfoot Chamber of Commerce.
Weiser Chamber of Commerce.
Payette Chamber of Commerce.
Johnson Wholesale Co.
Progressive Irrigation District (600 voters).
Boilermaker's Union.
State Federation of Labor.
Burley Chamber of Commerce.
Shelley Chamber of Commerce.
New Plymouth Chamber of Commerce.
Rupert Chamber of Commerce.
Downey Chamber of Commerce.
Hailey Chamber of Commerce.
Boise Central Trade & Labor Council.
Pocatello Trade and Labor Council.
Lions clubs: Soda Springs, Driggs, Paris.

ILLINOIS

Bloomington Association of Commerce.
Illinois District Traffic League.
Joliet Association of Commerce.
LaSalle Chamber of Commerce.
Chicago Heights Manufacturers' Association.
Quincy Freight Bureau.
Springfield Chamber of Commerce.
Illinois Valley Manufacturers Club.
Decatur Illinois Central Service Booster Club.
Carbondale Illinois Central Service Booster Club.
Illinois State Legislature (S. J. Res. 21, Mar. 19, 1935).
Streator Chamber of Commerce.
Advance Foundry Co., Chicago.
J. W. Butler Paper Co., Chicago.
Borin Art Products Corporation, Chicago.
Candy & Co., Chicago.
Chicago Association of Commerce.
B. Heller & Sons, Chicago.
Illinois Commerce Commission.
Illinois Manufacturers' Association.
Material Service Corporation, Chicago.
Old Monk Olive Co., Chicago.
Peoria Association of Commerce.
Peoria Shippers Conference Committee.
Riley Tar & Chemical Co., Chicago.
John Sexton & Co., Chicago.
Supermaid Corporation, Chicago.
Wyckoff Drawn Steel Co., Chicago.
Zion Institutions & Industries, Inc.
American Steel Foundries.
Campbell Soup Co.
James B. Clow & Sons.
Devoe & Reynolds.
Fairbanks, Morse & Co.
General Can Co.
Hercules Powder Co.
Inland Steel Co.
Jones & Laughlin Steel Co.
Liquid Carbonic Corporation.
Pepsodent Co.
Albert Pick & Co.
Ramapo-Ajax Corporation.
Western Railway Supply.
William Wrigley, Jr., Co.
Mattoon Association of Commerce.
American Fruit & Vegetable Association, Chicago.
Radio Steel & Manufacturing Corporation, Chicago.
Horders, Inc., Chicago.
National Hardwood Lumber Association.
Allis-Chalmers Manufacturing Co.
Armstrong Paint & Varnish Works.
Armour Leather Co.
Butler Paper Corporation.
Creamery Package Manufacturing Co.
Central Illinois Public Service Co.
Elmont Lumber Co.
W. F. Hall Printing Co.
Nagel-Chase Manufacturing Co.
Mutual Paper Box Corporation.
United Conveyor Corporation.
Vortex Cup Co.

INDIANA

Fort Wayne Traffic Bureau.
Indiana State Chamber of Commerce.
Muncie Chamber of Commerce.
South Bend Chamber of Commerce.
Terre Haute Chamber of Commerce.
Indianapolis Chamber of Commerce.
Indiana Limestone Corporation.
Furniture Manufacturers Association.
Evansville Chamber of Commerce.
Hubbard Steel Foundry Co.

IOWA

Fairfield Chamber of Commerce.
Fort Madison Chamber of Commerce.
Keokuk Traffic Association.
Des Moines Transportation Club.
The Armand Co.
F. W. Fitch Co.
Western Grocers Co.
Chamber of Commerce of Clinton.
Union Starch & Refining Co.
Noblitt Sparks Industries, Inc.
Council Bluffs Local Freight Agents' Association.
Council Bluffs Chamber of Commerce.

KANSAS

Emporia Chamber of Commerce.
Parsons Chamber of Commerce.
Kansas Farmers' Union.
Trans-Missouri-Kansas Shippers' Board.
Joint Labor Legislative Conference (following represented: Brotherhood of Locomotive Engineers, Brotherhood of Railroad Trainmen, Order Railway Conductors, Brotherhood of Locomotive Firemen and Engineers, State Federation of Labor, Kansas Federation of Labor, Masons and Plasterers, United Mine Workers).
Good Will and Boosters' Organization of Union Pacific system.
Miller Provision & Cold Storage Co.
Garden City Co.

KENTUCKY

Transportation Club of Louisville.
W. P. Brown & Sons Lumber Co.

LOUISIANA

New Orleans Association of Commerce.
Young Men's Business League of Vernon Parish.
New Iberia Chamber of Commerce.
The town of Welsh.
Shreveport Chamber of Commerce.
Shreveport Illinois Central Service Booster Club.
Town Clerk Skidmore, Delhi.
Southern Advertising & Paper Co.

MASSACHUSETTS

Associated Industries of Massachusetts.

MICHIGAN

Owosso Chamber of Commerce.
Amalgamated Association Street Railway Employees.
Ann Arbor System Federation, No. 77.
American Legion, Shiawassee County.
Battle Creek Federation of Labor.
Bay City Federation of Labor.
Central Labor Union of Monroe.
Detroit Board of Commerce.
Detroit and Wayne County Federation of Labor.
Flint Federation of Labor.
Grand Trunk Federation of Labor.
International Brotherhood of Teamsters, etc., No. 332.
International Electrical Workers, Detroit.
Jackson Federation of Labor.
Joint Council Truck Drivers, Detroit.
Michigan Farm Union.
Michigan Federation of Labor.
Michigan Railroad Employees and Citizens League.
Veterans of Foreign Wars, Shiawassee County.
Veterans of Foreign Wars Union Organization, Detroit.

MINNESOTA

St. Paul City Council.
Willmar Chamber of Commerce.
Staples Commercial Club.
Warren Commercial Club.
Fergus Falls Civic and Commerce Association.
Crookston Moorhead Elevator Co.
Morris Kiwanis Club.
Staples City Council.
North Branch Civic Club.
St. Paul Northwest Shippers' Advisory Board.
State legislature.
Minneapolis Traffic Association.
St. Paul Association of Commerce.
Northwestern Retail Coal Dealers' Association.
Cokato Association.
Litchfield Commercial Club.
Dassel Merchants' and Farmers' Club.
City Council of City of St. Paul.
President Kaiser, of First National Bank, Bagley.
Globe Milling Co.
Farmers' Elevator & Trading Co.
Monarch Elevator Co.
Citizens' Transportation League.
Bricelyn Cooperative Canning Association.
Alexandria Chamber of Commerce.
Cass Lake Commercial Club.
Fairmont Canning Co.
Red Wing Milling Co.
Mayor J. W. Kirkwood, of Crookston.
Farmer-Labor Party of Minnesota.

MISSISSIPPI

Clarksdale Illinois Central Service Booster Club.
Greenville Illinois Central Service Booster Club.
P. P. Williams Co.

MISSOURI

Sedalia Chamber of Commerce.
Good Will and Boosters' Organization of U. P. system.
Cruden Martin Manufacturing Co., St. Louis.
Long-Bell Lumber Sales Corporation, Kansas City.
Mexico Refractories Co.

MONTANA

Miles City Elks Club.
Miles City Federated Shop Crafts C., M., St. P. & P. R. R.
Miles City C., M., St. P. & P. R. R. Womens Club.
Fort Denton Commercial Club.
Browning Lions Club.
Great Falls Kiwanis Club.
Cut Bank Lions Club.
Shelby Lions Club.
Harlem Lions Club.
Glasgow Chamber of Commerce and Agriculture.
Chinook Lions Club.
Conrad Lions Club.
Sweet Grass-Coutts Lions International Club.
Culbertson Commercial Club.
Stanford Commercial Club.
Harlowton Chamber of Commerce.
Central Montana Chamber of Commerce.
Columbus Civic Club.
Big Timber Lions Club.
Big Sandy Local Activity Club.
Choteau Lions Club.
Wolf Point Commercial Club.
Forsyth Lions Club.
Miles City Council.
Baker Commercial Club.
White Sulphur Springs Rotary Club.
Helena Commercial Club.
Ismay Commercial Club.
Miles City Rotary Club.
Belgrade Chamber of Commerce.
Miles City Kiwanis Club.
Livingston Chamber of Commerce.
Roundup Rotary Club.
Custer County Commissioners.
Havre Chamber of Commerce.
Workers Protective Union of Forsythe.
Workers Protective Union of Terry.
Terry Chamber of Commerce.
Miles City Trades and Labor Council.
Workers Protective Union of Miles City.
Gov. Elmer Holt.
R. J. Klein, justice of the peace, Butte.
Cascade Milling & Elevator Co.
Mayor W. E. Martin, Glendive.
F. A. East & Co.
N. N. Jenson.
Butte and Superior Copper Co.
Poplar Commercial Club.

NEBRASKA

Good Will and Boosters Organization of U. P. system.
Omaha Chamber of Commerce.
Aaron Ferer & Sons, Omaha.

NEVADA

Winnemucca Chamber of Commerce.
Elko Chamber of Commerce.
Lyon County Chamber of Commerce.
Minden Rotary Club.
Minden Commercial Club.
Tonopah Rotary Club.
Nevada Consolidated Corporation.

NEW MEXICO

Alpine Chamber of Commerce.
Carrizozo Chamber of Commerce.
Marfa Chamber of Commerce.
Lordsburg Chamber of Commerce.
Tucumcari Chamber of Commerce.
Alamagordo Chamber of Commerce.
Mimbres Valley Farmers Association.
Chino Copper Co.
Gallup American Coal Co.

NEW YORK

Williams Traffic Service, Inc., New York City.
New York City Metropolitan Traffic Association.
Elmira Chamber of Commerce.
Thatcher Manufacturing Co.
United States Rubber Products, Inc.
Oneonta Chamber of Commerce.

NORTH CAROLINA

Eastern North Carolina Association, Inc.

NORTH DAKOTA

Brinsmade Business Men's Club.
Carrington Kiwanis Club.
Minot Association of Commerce.
White Earth Commercial Club.
Williston Chamber of Commerce.
Valley Oil Co.
Adrian Equity Elevator Co.
Andrews Grain Co.
Turtle Mountain Cooperative Association.
Farmers Cooperative Association.

OHIO

Cleveland Chamber of Commerce.
Lima Chamber of Commerce.
Youngstown Chamber of Commerce.
Mount Washington Civic Club.
Walnut Hills Business Club.
Cincinnati Traffic Club.
Miami Valley Traffic Club.
Fostoria Pressed Steel Corporation.
Procter & Gamble Co.
Toledo Chamber of Commerce.
Grinnell Co.
National Malleable Steel Castings Co.
Perfection Stove Co.
Dayton Chamber of Commerce.

OREGON

Chambers of commerce: Albany, Grants Pass, Marshfield, Coquette, Bandon, Carlton, Medford, Ashland, Merrill, Bend, Eugene, Klamath Falls, La Grande, Roseburg, and Tule Lake.
Rogue River Valley Traffic Association.
Yakima Freight Association.
Wenatchee Freight Association.
Hood River Freight Association.
Portland Cauliflower Growers' Association.
Portland Berry Growers' Association.
Oregon Gardeners' Association.
Northwest Furniture Manufacturing Association.
Veterans of Foreign Wars, Post No. 922.
Pendleton Kiwanis Club.
Veterans of Foreign Wars, Post No. 2471.
Veterans of Foreign Wars, Post No. 907.
E. F. Burlingham & Sons.
Amity Seed & Grain Co.
Oregon Fuel Merchants' Association.
Hillman Packing Co.
Beaverton Chamber of Commerce.
Corvallis Chamber of Commerce.
Dallas Chamber of Commerce.
Enterprise Chamber of Commerce.
Estacada Chamber of Commerce.
Forest Grove Chamber of Commerce.
Gresham Chamber of Commerce.
Hood River Chamber of Commerce.
Independence Chamber of Commerce.
McMinnville Chamber of Commerce.
Newberg Chamber of Commerce.
Oregon City Chamber of Commerce.
St. Helens Chamber of Commerce.
Salem Chamber of Commerce.
Sandy Chamber of Commerce.
Sheridan Chamber of Commerce.
Tillamook Chamber of Commerce.
Warrenton Chamber of Commerce.
City council, Albany.
City council, Clatskanie.
City council, The Dalles.

City council, Enterprise.
City council, Hood River.
City council, La Grande.
City council, St. Helens.
Amity Commercial Club.
Clatskanie Kiwanis Club.
Joseph Commercial Club.
Ladd & Bush, bankers, Salem.
Lebanon Commercial Club.
Multnomah Boosters Club.
Oregon Lumber Co.
Oregon Portland Cement Co., Portland.
Oregon State Teachers Association.
Oswego District Commercial Club.
Ranier Commercial Club.
Railroad Brotherhoods Legislative League of Oregon.
Spaulding Pulp & Paper Co., Newberg.
United States National Bank, Newberg.
Willamette Valley Lumbermen's Association.
Woodburn Business Men's Club.

PENNSYLVANIA

Pittsburgh Chamber of Commerce.
Hazleton Chamber of Commerce.
Pittsburgh Traffic Club.
Lehighton Chamber of Commerce.
Penn State Chamber of Commerce.
Wilkes-Barre Chamber of Commerce.
Pittsburgh Wholesale Lumber Dealers Association.
Commercial Traffic Managers.
The Koppers Co.

SOUTH DAKOTA

John W. Tuthill Lumber Co.
A. J. Danks, merchant.

TENNESSEE

Memphis Illinois Central Service Booster Club.
Tennessee Furniture Corporation.
Chattanooga Manufacturers Association.

TEXAS

State legislature.
Chambers of commerce: Austin, Brewster County, Brownsville, Cameron, Edinburgh, Galveston, Harlingen, Lamar, Lott, Marfa, Marlin, McAllen, Mission, Rosebud, Waco.
Austin Wholesale Credit Men's Association.
Cameron Lions Club.
Dallas Cotton Exchange.
Galveston Cotton Exchange and Board of Trade.
Mart Chamber of Commerce and Agriculture.
Sabine District Traffic Club.
Texas Citrus Shippers' Association.
Texas Valley Shippers' Association.
Traffic Club of Dallas.
Waco Traffic Club.
Two States Fruit Package Co.
Winerich Motor Co., Corpus Christi.
Texas Railroad Commission.
Ireland School Board.
Tyler Chamber of Commerce.

UTAH

Ogden Chamber of Commerce.
Weber County Board of Commissioners.
Box Elder County Commissioners.
Price Rotary Club.
Helper Kiwanis Club.
Ogden City Commission.
Provo City Commission.
Springville City Commission.
Utah Copper Co.
Utah Coal Operators' Association, Salt Lake City.
Pacific States Cast Iron Pipe Co.
Burton-Walker Lumber Co.

WASHINGTON

Bellingham Chamber of Commerce.
Centralia Chamber of Commerce.
Grays Harbor Chamber of Commerce.
Auburn Chamber of Commerce.
Longview Chamber of Commerce.
Seattle Chamber of Commerce.
Tacoma Chamber of Commerce.
Northwestern Fruit Exchange.
Arlington Commercial Club.
Sunnyside Commercial Club.
Wenatchee Valley Traffic Association.
Yakima Fruit Growers Association.
Yakima Valley Traffic and Credit Association.

WISCONSIN

State Legislature.
Milwaukee Association of Commerce.
J. I. Case Co.
Oscar Mayer & Co.
South Superior Civic Club.
Superior Door Catch Co.

WYOMING

Sheridan Chamber of Commerce.
Casper Chamber of Commerce.
Guernsey Chamber of Commerce.
Cheyenne Chamber of Commerce.
Rawlins Commercial Club.
Green River Commercial Club.
American Federation of Labor locals.
Central Labor Union throughout State.
Sheridan Miners.
Casper Midwest Oil Workers.
Veterans of Foreign Wars, Sheridan.

ANNOUNCEMENTS

Mr. GOLDSBOROUGH. Mr. Speaker, I desire to announce that the Representatives from States in the flooded areas will meet in the caucus room of the old House Office Building on Monday afternoon next at half-past 2. Insofar as possible, they will all receive a written notice of the meeting.

Mr. KNUTE HILL. Mr. Speaker, I wish to announce that on Monday, at 10:45 a. m., there will be the unveiling of the Liev Eiriksson painting in Statuary Hall. We invite all the Members of the House and their families to be present at that time.

EXTENSION OF REMARKS

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that all Members who speak on the bill H. R. 3263 and those Members who do not have an opportunity to speak on it may have 5 legislative days within which to extend their remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. RABAUT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein some extracts from a statement by the Secretary of Agriculture.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. RABAUT. Mr. Speaker, this morning when I addressed the House there was objection to my inserting in my remarks some short extracts from newspapers with respect to reciprocal-trade agreements. I have explained them to the gentleman who objected, and he gave me permission to say that he did not object to my including them. I therefore now ask unanimous consent that I may insert these extracts as a part of my remarks.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, to what gentleman does the gentleman from Michigan refer?

Mr. RABAUT. The gentleman from Pennsylvania [Mr. RICH].

Mr. MARTIN of Massachusetts. What about the gentleman from Minnesota [Mr. KNUTSON], who later objected?

Mr. RABAUT. I did not talk with him.

Mr. MARTIN of Massachusetts. I wish the gentleman would withdraw the request, because the gentleman from Minnesota is not present at the moment and I would feel compelled to object in his absence.

Mr. RABAUT. Very well; I withdraw the request, Mr. Speaker.

ELLIS DUKE

Mr. KENNEDY of Maryland. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4086) for the relief of Ellis Duke, also known as Elias Duke, with a Senate amendment, and agree to the Senate amendment.

The Clerk read the Senate amendment, as follows:

Page 1, line 8, strike out "$1,750" and insert "$1,000."

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Senate amendment was concurred in, and a motion to reconsider was laid on the table.

ADJOURNMENT OVER

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 2625. An act to extend the facilities of the Public Health Service to seamen on Government vessels not in the Military or Naval Establishments; and

S. 3978. An act relating to taxation of shares of preferred stock, capital notes, and debentures of banks while owned by the Reconstruction Finance Corporation, and reaffirming their immunity.

ADJOURNMENT

Mr. BANKHEAD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 53 minutes p. m.) the House adjourned to meet, in accordance with its previous order, on Monday, March 23, 1936, at 12 o'clock noon.

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## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

729. A letter from the Acting Secretary of the Treasury, transmitting a report of payments of salary, commissions, bonus, or other compensation compiled from income returns as required by section 148 (d) of the Revenue Act of 1934; to the Committee on Ways and Means.

730. A communication from the President of the United States, transmitting a recommendation for an appropriation of $11,500, or so much thereof as may be necessary, for the expenses of participation by the United States in the Ninth International Congress of Military Medicine and Pharmacy in Rumania in 1937; to the Committee on Foreign Affairs.

731. A communication from the President of the United States, transmitting a report concerning and a recommendation for payment of the claim of Gen. Higinio Alvarez, a Mexican citizen, with respect to lands on the Farmers Banco in the State of Arizona; to the Committee on Foreign Affairs.

732. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the legislative establishment, House of Representatives, for the fiscal year 1936, in the sum of $75,000 (H. Doc. No. 432); to the Committee on Appropriations and ordered to be printed.

733. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the fiscal years 1936 and 1937, amounting to $201,865, and draft of a proposed provision pertaining to an existing appropriation for the Department of State (H. Doc. No. 433); to the Committee on Appropriations and ordered to be printed.

734. A communication from the President of the United States, transmitting deficiency estimates of appropriations for the fiscal year 1935 and prior years, in the sum of $180,049.57, and supplemental estimates of appropriations for the fiscal years 1936 and 1937 in the sum of $1,896,525, amounting in all to $2,076,574.57, and a draft of a proposed provision pertaining to an existing appropriation for the Department of Justice (H. Doc. No. 434); to the Committee on Appropriations and ordered to be printed.

735. A letter from the Secretary of War, transmitting a draft of a bill to promote the efficiency of the Army Air Corps; to the Committee on Military Affairs.

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## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. HAINES: Committee on the Post Office and Post Roads. H. R. 10930. A bill to credit laborers in the Postal Service with any fractional part of a year's substitute service toward promotion; with amendment (Rept. No. 2215). Referred to the Committee of the Whole House on the state of the Union.

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## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mrs. JENCKES of Indiana: Committee on the District of Columbia. H. R. 10717. A bill to provide for the holding of an examination by the Board of Optometry of the District of Columbia for a limited license to practice optometry in the District of Columbia for Welton B. Hutton; with amendment (Rept. No. 2216). Referred to the Committee of the Whole House.

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## PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HEALEY: A bill (H. R. 11944) granting the consent of Congress to the State of Massachusetts to construct, maintain, and operate free highway bridges across the Merrimack and Connecticut Rivers to replace those destroyed by floods; to the Committee on Interstate and Foreign Commerce.

By Mr. HOLMES: A bill (H. R. 11945) granting the consent of Congress to the Department of Public Works of the Commonwealth of Massachusetts for the construction, maintenance, and operation of certain free highway bridges to replace bridges destroyed by flood in the Commonwealth of Massachusetts; to the Committee on Interstate and Foreign Commerce.

By Mr. CULKIN: A bill (H. R. 11946) to provide for the construction of a Coast Guard vessel designed for ice-breaking and assistance work on Lake Huron and Lake Superior; to the Committee on Merchant Marine and Fisheries.

By Mr. CULLEN: A bill (H. R. 11947) to provide for the conveyance of certain property to the city of New York; to the Committee on Public Buildings and Grounds.

By Mr. DIMOND: A bill (H. R. 11948) to extend the provisions of section 23 of the Independent Offices Appropriation Act, 1935; to the Committee on the Territories.

By Mr. MITCHELL of Tennessee: A bill (H. R. 11949) to create a Federal Foreign Trade Board, to promote the foreign trade of the United States, to authorize the creation of foreign-trade promotion corporations, and for other purposes; to the Committee on Ways and Means.

By Mr. WILCOX: A bill (H. R. 11950) to amend the Social Security Act to provide for aid to transients; to the Committee on Ways and Means.

By Mr. McGEHEE: A bill (H. R. 11951) to pay compensation to persons disabled by the use of improperly made Jamaica ginger, and/or to the widows and orphans of such disabled persons; to the Committee on Interstate and Foreign Commerce.

By Mr. DOBBINS: A bill (H. R. 11952) to amend the Foreign Air Mail Act of March 2, 1929, to promote safety and efficiency, and for other purposes; to the Committee on the Post Office and Post Roads.

Also, a bill (H. R. 11953) to amend the Alaska Mail Service Act of February 21, 1925, as amended, to promote safety and efficiency, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. HILDEBRANDT: A bill (H. R. 11954) to amend the act of February 28, 1925 (43 Stat. 1053), relative to postal rates on third-class mail matter; to the Committee on the Post Office and Post Roads.

By Mr. JOHNSON of West Virginia: Resolution (H. Res. 456) for relief of flood-stricken areas in West Virginia; to the Committee on Appropriations.

By Mr. RANDOLPH: Resolution (H. Res. 457) for relief of flood-stricken areas in West Virginia; to the Committee on Appropriations.

By Mr. LEWIS of Maryland: Resolution (H. Res. 458) for the relief of the flood-stricken areas in the State of Maryland; to the Committee on Appropriations.

By Mr. DUNN of Pennsylvania: Joint resolution (H. J. Res. 534) to provide at least a billion dollars for the immediate relief of the suffering people in the flooded areas of our country; to the Committee on Appropriations.

By Mr. FULMER: Joint resolution (H. J. Res. 535) to refund taxes collected under the Bankhead Act and to redeem certain exemption certificates issued thereunder; to the Committee on Agriculture.

By Mr. GRAY of Pennsylvania: Joint resolution (H. J. Res. 536) to provide emergency relief for certain flood victims, and the restoration and reconstruction of certain flood areas; to the Committee on Appropriations.

### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DIMOND: A bill (H. R. 11955) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim or claims of the heirs of John Stephens, deceased, or their legal representatives, against the United States; to the Committee on the Territories.

By Mr. KINZER: A bill (H. R. 11956) granting a pension to Frances C. Strickler; to the Committee on Invalid Pensions.

By Mr. WELCH: A bill (H. R. 11957) for the relief of Edith Lewis White; to the Committee on Claims.

### PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10569. By Mr. PFEIFER: Petition of the Magnuson Products Corporation, Brooklyn, N. Y., concerning the Healey bill (H. R. 11554); to the Committee on the Judiciary.

10570. Also, petition of the Gleason-Tiebout Glass Co., Brooklyn, N. Y., concerning the Healey bill (H. R. 11554); to the Committee on the Judiciary.

10571. By Mr. POWERS (by request): Petition of Mrs. Rafe R. Bickford and others of Princeton, N. J., relative to House bill 8739; to the Committee on the District of Columbia.

10572. Also, memorial of the One Hundred and Sixtieth Legislature of the State of New Jersey, requesting the National Government to accept immediate responsibility for relief and employment of transients; to the Committee on Appropriations.

10573. By Mr. WELCH: Petitions referring to legislation regulating the sardine industry on the Pacific coast; to the Committee on Merchant Marine and Fisheries.

## SENATE

### MONDAY, MARCH 23, 1936

*(Legislative day of Monday, Feb. 24, 1936)*

The Senate met at 12 o'clock meridian, on the expiration of the recess.

#### THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, March 20, 1936, was dispensed with, and the Journal was approved.

#### COORDINATION OF EXECUTIVE AGENCIES

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, which was referred to the Special Committee on Reorganization of the Executive Departments, and ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
*Washington, March 20, 1936.*

The Honorable the VICE PRESIDENT OF THE UNITED STATES.

MY DEAR MR. VICE PRESIDENT: Last October I began holding some conversations with interested and informed persons concerning what appealed to me as the necessity of making a careful study of the organization of the executive branch of the Government.

Many new agencies have been created during the emergency, some of which will, with the recovery, be dropped or greatly curtailed, while others, in order to meet the newly realized needs of the Nation, will have to be fitted into the permanent organization of the executive branch. One object of such a study would be to determine the best way to fit the newly created agencies or such parts of them as may become more or less permanent into the regular organization. To do this adequately and to assure the proper administrative machinery for the sound management of the executive branch, it is, in my opinion, necessary also to study as carefully as may be the existing regular organization. Conversations on this line were carried on by me during November and December, and I then determined to appoint a committee which would assist me in making such a study, with the primary purpose of considering the problem of administrative management. It is my intention shortly to name such a committee, with instructions to make its report to me in time so that the recommendations which may be based on the report may be submitted to the Seventy-fifth Congress.

The Senate already has established a special committee to consider certain aspects of this same problem, and I write to you to ask that the Senate, through its special committee, cooperate with me and with the committee which I shall name in making this study, in order that duplication of effort in the task of research may be avoided and to the end that it may be as fruitful as possible.

Sincerely yours,

FRANKLIN D. ROOSEVELT.

#### CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

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| Adams | Couzens | Lewis | Pope |
| Ashurst | Davis | Logan | Radcliffe |
| Austin | Dickinson | Lonergan | Robinson |
| Bachman | Donahey | Long | Russell |
| Barbour | Duffy | McGill | Sheppard |
| Barkley | Fletcher | McKellar | Steiwer |
| Bilbo | Frazier | McNary | Thomas, Okla. |
| Black | George | Maloney | Thomas, Utah |
| Brown | Gibson | Metcalf | Townsend |
| Bulkley | Glass | Minton | Truman |
| Bulow | Gore | Moore | Tydings |
| Burke | Guffey | Murphy | Vandenberg |
| Byrnes | Hale | Murray | Van Nuys |
| Capper | Hatch | Neely | Walsh |
| Caraway | Hayden | Norbeck | Wheeler |
| Chavez | Johnson | Norris | White |
| Clark | Keyes | O'Mahoney | |
| Connally | King | Overton | |
| Copeland | La Follette | Pittman | |

Mr. LEWIS. Mr. President, I announce that the Senator from North Carolina [Mr. REYNOLDS] is absent on official business at the Department of Labor in connection with research work having to do with the so-called Reynolds-Starnes bill.

I also announce that the Senator from Alabama [Mr. BANKHEAD], the Senator from Rhode Island [Mr. GERRY], the Senator from Florida [Mr. TRAMMELL], the Senator from California [Mr. MCADOO], and the Senator from Washington [Mr. SCHWELLENBACH] are absent because of illness.

I further announce that the Senator from Washington [Mr. BONE], the Senator from Minnesota [Mr. BENSON], the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Colorado [Mr. COSTIGAN], my colleague the junior Senator from Illinois [Mr. DIETERICH], the Senator from Mississippi [Mr. HARRISON], the Senator from Nevada [Mr. MCCARRAN], and the Senator from South Carolina [Mr. SMITH] are unavoidably detained from the Senate.

Mr. TOWNSEND. I announce that my colleague the senior Senator from Delaware [Mr. HASTINGS] is necessarily absent from the Senate. I ask that this announcement stand for the day.

Mr. AUSTIN. I announce that the Senator from Wyoming [Mr. CAREY] is necessarily absent.